



**Washington State
Department of Transportation**

2003-2005 Budget



Adopted by the
Washington State Transportation Commission
August 14, 2002

Douglas B. MacDonald
Secretary of Transportation



Cover Design

The cover, designed by Gerry Rasmussen of the Graphic Communications Office, portrays the basic transportation functions provided for Washington state residents. The large scenic picture was taken on southbound Interstate 5 at the Snohomish/Skagit county line near exit 218, between Marysville and Mount Vernon. The small photos, from left to right, are an Incident Response Team van, a ferry from the Washington State Ferries fleet, road construction near Federal Way on Interstate 5, and the Amtrak Cascade train.

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Budget Services

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**Washington State
Department of Transportation**

2003-2005 Budget

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Brief document structure overview:

The beginning of the document contains the executive summary and an overview of the operating and capital programs.

The middle of the document contains details of each operating and capital program and the ten-year financial plan.

The end of the document contains appendices related to or helpful in understanding the budget proposal, including a glossary, Operations Transportation Equipment Fund business plan, Miscellaneous Transportation Programs Account information, strategic plan, full time equivalent (FTE) summary, organization chart, and Gray Notebook (performance measurement).

Charts and Graphs:

Charts and graphs, included to visually display information, have a consistent color scheme throughout the document:

Program	Color
Highways	Gray
Ferries	Blue
Public Transportation	Yellow
Rail	Red
Local Programs	Orange
Funds	Color
State	Yellow
Bonds	Salmon
Federal	Green
Local	Orange

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Executive Summary

Introduction

Today, the Washington State Department of Transportation (WSDOT) is striving to become a nationwide leader in accountability, performance measurement, and innovative program delivery. Its leadership team, working with the Washington Transportation Commission, elected officials at every level of government, and citizens of the state, is focusing the organization on key program missions for the future while continuing to ensure that the current transportation system is preserved and maintained.

The department is implementing a variety of activities that better communicate project and traffic information to the public. Examples of communicating to the public are the “Gray Notebook” on performance measurements and “Real Time Travel” traffic information. Indeed, the Governor has identified these activities as key initiatives for state government.

The department is also breaking new ground in delivering its largest capital program ever in the 2001-2003 Biennium. Highway construction expenditures at the midpoint in the 2001-2003 Biennium exceed the spending plan, which shows that project delivery is ahead of schedule. Typically at midpoint in a biennium, the department has used about 46 percent of its resources to complete highway construction projects. This biennium, almost 60 percent of the 2001-2003 funding has been expended. Latest reports indicate that construction bid prices from contractors are being received very close to the department’s final estimates. The ability to accurately estimate construction bids enhances the department’s ability to deliver projects as scheduled.

The Transportation Commission recognizes that transportation programs have been subject to rapidly changing and occasionally contradictory fiscal environments. The difficulty starts at and stems from the increased revenue provided by passage of Referendum 49 in 1998 and subsequent funding reductions from elimination of the motor vehicle excise tax. Another complexity of the fiscal environment is the continuing expectation, subject to key uncertainties, that assumes revenue enhancement recommendations made by the Blue Ribbon Commission on Transportation in 2000, will soon be implemented.

The 2001-03 Transportation Budget (3ESSB 5327) included administrative reductions as well as no funding for inflation except for Highway Maintenance and Operations and Washington State Ferries Maintenance and Operations. This was followed by the 2002 Supplemental Transportation Budget (ESHB 2451) that included an authorization tied to toll-financed bonding of over \$800 million for the Tacoma Narrows Bridge.

Also passed in the 2002 Legislative Session was a revenue bill (ESHB 2969) with a referendum clause and a bill (ESSB 6347) specifically referencing individual construction projects. ESHB 2969 presents to the voters, as Referendum 51, the proposal to raise fees and taxes to fund state and local transportation projects,

generally following the direction proposed by the Blue Ribbon Commission. The fee and tax increases are intended to raise approximately \$7.8 billion to improve highway capacity, public transportation, and passenger and freight rail.

Major elements of the ESHB 2969 include:

- The establishment of the Legislative Transportation Accountability Committee for project review and oversight.
- A 15percent increase in weight fees on trucks over 10,000 lbs. in 2003 and an additional 15percent increase in 2004. The increase does not apply to pickup trucks and recreational vehicles.
- An increase in the state gas tax of 9 cents per gallon. The increase is staged by applying a 5-cent per gallon increase in 2003 and an additional 4-cent per gallon increase in 2004.
- A sales tax surcharge of 1percent applied to the sale of new and used vehicles beginning April 1, 2003.

Authority to spend funds generated by Referendum 51 is specifically identified by the 2002 Legislature in ESSB 6347. This bill provides individual appropriations for specific projects and appropriations are linked to project phases. In addition to the appropriations, future costs are shown for a ten-year planning period. With the approval of the Governor's budget office, the department is allowed some flexibility to transfer funds from one project to another if there are excess funds in a project. These proposals, while an important beginning, are generally recognized not to include everything that needs to be accomplished to achieve the state's transportation goals.

Results of Referendum 51 will not to be known before November. This creates the confusing but unavoidable circumstances that the department is preparing for the 2003-05 biennium with uncertain prospects for the revenue levels that will be available to support critical transportation programs.

With passage of Referendum 51, the department will be undertaking potentially the largest infrastructure-building program in the nation. A project delivery endeavor of this scope and size will present large challenges to the department, to designers and contractors, to communities in which these projects will be built, and to users of the transportation system who will be inconvenienced by construction. Many of the projects also depend on multiple funding sources not wholly made up by department resources if Referendum 51 should pass. Also, the referendum includes funding for specific operating expenditures for activities such as operating the passenger only ferries and enhancing Public Transportation and Local Programs. However, the referendum does not provide additional funding for any other operating services or activities, so the department will be challenged to meet its other program objectives with increasingly constrained financial resources.

The 2003-05 Department of Transportation Budget is being presented in terms of separate operating and capital programs. This clear delineation between fundamental

expenditure types is one of the many efforts to communicate the projects and services that are being provided with the funding received by the department.

The Transportation Commission's Department of Transportation 2003-05 Budget as transmitted to the Governor and the Legislature consists of two major components:

- (1) The Current Law Budget - As required by state law, the Commission's current law proposal that can be funded within existing and/or reasonably assumed resources.
- (2) The Referendum 51 Budget – A proposal, contingent on passage of Referendum 51, for additional investments in the transportation system that the department will be charged to deliver in responding to some of the most important transportation needs of the state with added revenue from the sources described in the referendum.

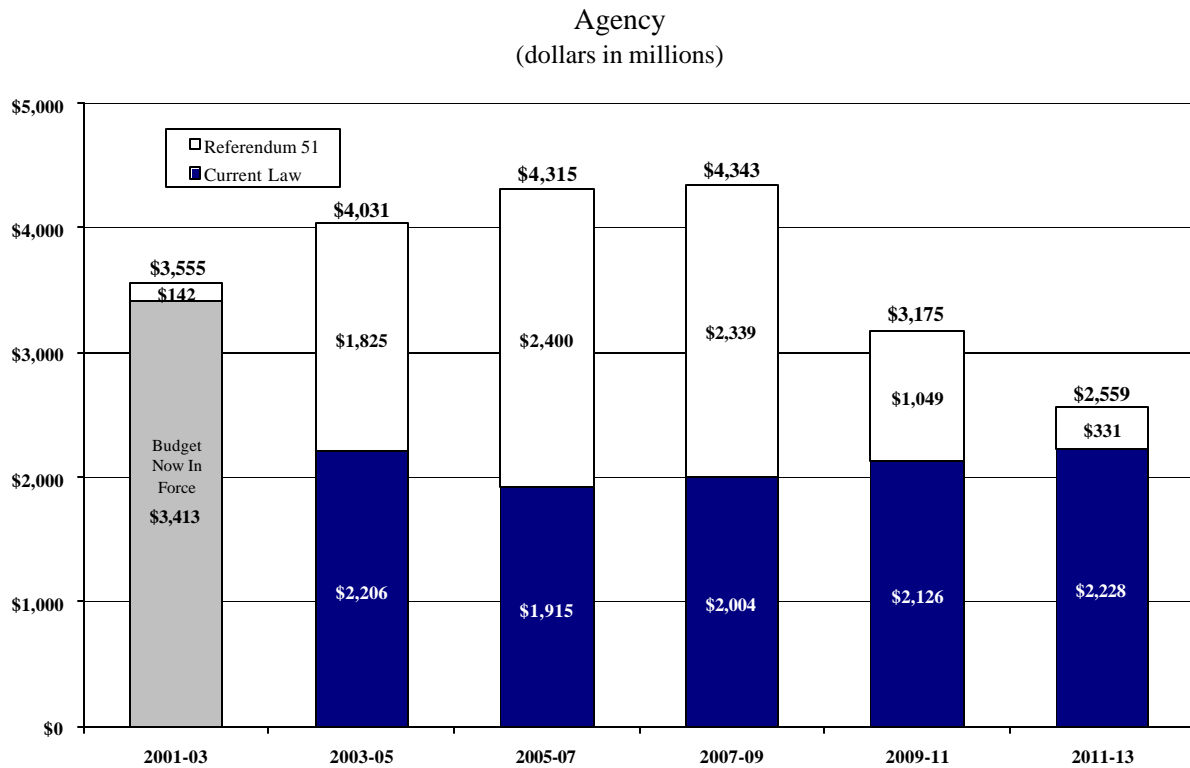
The proposed budget takes into account the fact that revenue resources, on a current basis and also with respect to program area, cannot be augmented with Referendum 51 revenues, if approved by the voters, and are inadequate to sustain current levels of operations and the maintenance and preservation of Washington State's existing systems. Available resources also continue to be eroded by inflation, yet the public continues to expect additional transportation operations and investments to meet the needs of the economy and a growing population.

The Commission recognizes that both the current law and Referendum 51 proposals may be subject to significant modifications in coming months. Pending resolution of these issues, the Commission believes the current law proposal provides the most effective allocation of available resources to maintain and preserve the existing transportation system. The Referendum 51 proposal provides an investment plan that will achieve important progress in addressing a significant backlog of transportation needs.

In developing the current law proposal, the Commission and department have carefully evaluated each of the department's programs, and determined that the priority, as in the past, must be given to maintaining, preserving, and operating the existing system. Available resources, however, do not even provide adequate funding to sustain the current levels of service for all transportation system maintenance and preservation. Safety improvements are included, but additional improvements are severely limited until such time as additional revenue is available. A reduction of approximately five percent in the administrative programs in the 2003-05 budget reflects the continuing efforts of the Commission and the department to identify and implement efficiencies for cost savings. This reduction is in addition to the \$155.4 million for efficiency savings eliminated from the budget since the department began monitoring and recording efficiency savings in the 1995-97 biennium. However, the majority of the reductions in the current law proposal to meet revenue constraints consist of service reductions and the deferral of transportation improvement projects.

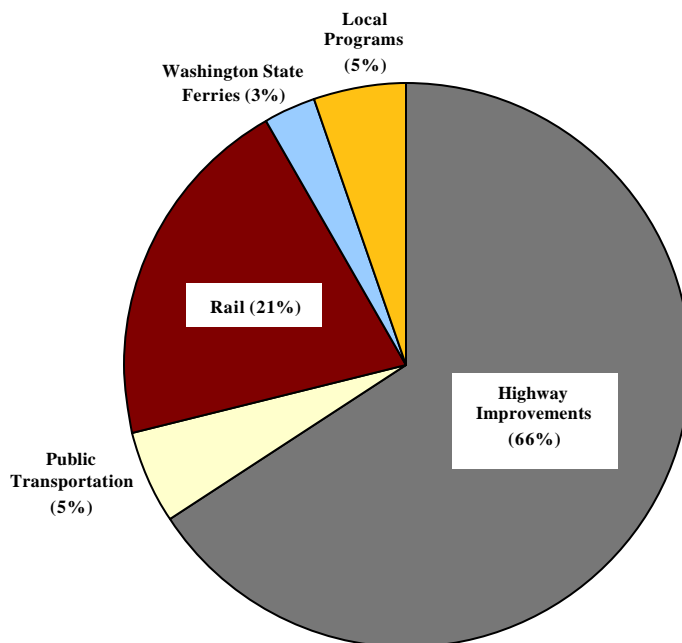
The chart below displays the Department of Transportation's 2001-03 Budget and the ten-year proposals for the current and Referendum 51 proposals.

2003-13 Ten-Year Current Law & Referendum 51 Proposal



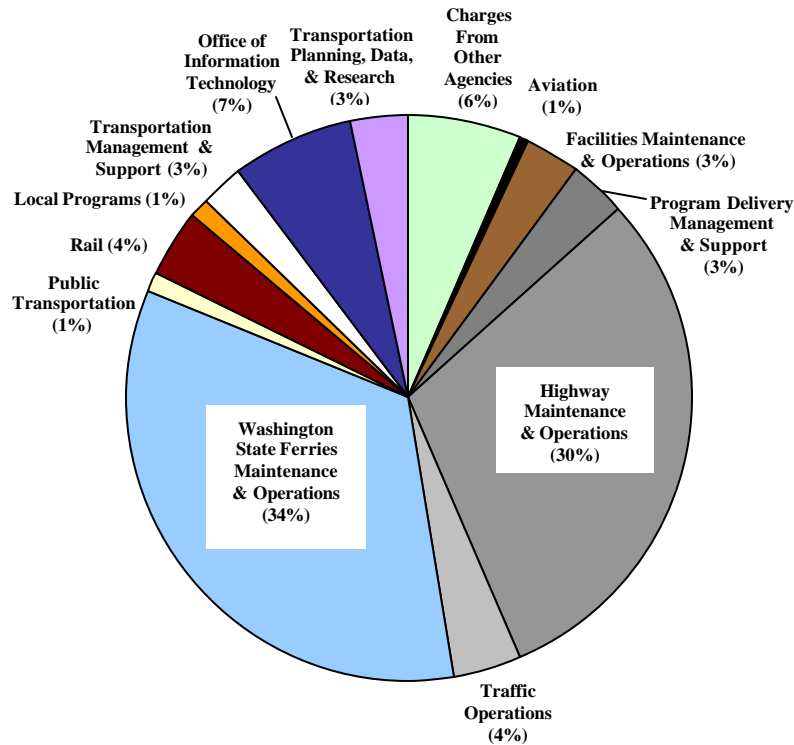
The chart below displays the increase in funding provided by Referendum 51 for the department in the 2003-05 biennium.

2003-05 Referendum 51 Budget Adjustments by Mode

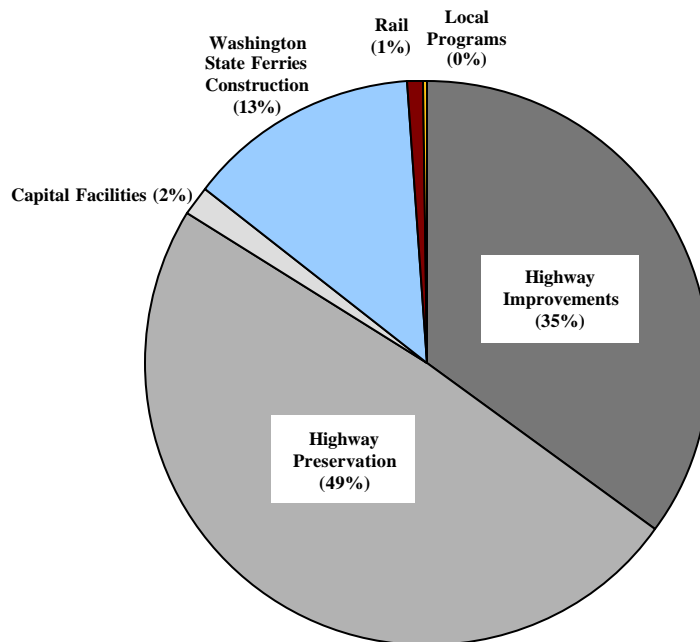


The following charts display the Department of Transportation's Operating and Capital Current Law Budgets for the 2003-05 biennium.

2003-05 Current Law Operating Budget by Mode



2003-05 Current Law Capital Budget by Mode



2003-05 Budget Development Guiding Principles

With constrained and uncertain resources, the Commission and the department revised strategic plans and policies critical to developing a proposal that is reasonable, practical, and deliverable. The 2003-05 Current Law Budget allocates resources with the goal of sustaining current levels of transportation operations, and maintaining and preserving the Washington State's existing transportation system. The budget also reduces funding for planning, business, administrative, and management support activities while augmenting the resources that are necessary to better inform the public about the state's expectations and achievements in delivering transportation systems.

The Current Law Operating Budget was developed with the following assumptions:

- Increase the funding for Highway Maintenance and Operations, Traffic Operations, and Facilities Maintenance and Operations with the goal of keeping the purchasing power and thus, program delivery ability, at the 2001-03 funding level.
- Increase funding for Ferries Maintenance and Operations to maintain the purchasing power at the 2001-03 level of service.
- Constrain programs funded exclusively from the Multimodal Transportation Account (Public Transportation, Rail, and passenger only ferries) to available funding.
- Maintain the Rail and passenger-only operating activities at the 2001-03 level of service.
- Fund Aviation activities with available aviation revenues and General Fund resources specifically tied to aviation activity.
- Fund Local Programs based on available city/county gas taxes for state supervision and federal funds.
- Reduce funding by about ten percent (reduce real dollars five percent and do not provide inflation to maintain purchasing power) for administrative and support programs.
- Increase funding for Charges from Other Agencies to reflect expected continuing increases in liability costs.

The 2003-05 Current Law Capital Budget allocates resources primarily to the programs and activities that will preserve Washington State's existing system. The Current Law Budget was developed with the following assumptions:

- Construction work currently in progress is funded as the first priority.
- Traffic Operations is held to its 2001-03 funding level for the 2003-05 biennium.

- Flexible state funding for Rail is held to the 2001-03 level.
- Local Programs is held to funding for the State Infrastructure Bank.
- The Ferries Construction program is funded for necessary preservation projects only with a small contingency for emergency repairs.

Additional Considerations

In addition to the budget development policy guidelines, the current law budget proposal and ten-year investment plan were developed with consideration of the following:

- Legislative direction to emphasize investments in transportation projects that will provide the most effective benefit to the traveling public and sustain economic development.
- Multimodal requirements - expertise to innovatively balance and effectively prioritize twenty-first century transportation needs for the variety of modes e.g., highway, rail, ferry, public transportation, and aviation.
- Correlation with the agency's mission statement and management principles as follows:

"The Washington State Department of Transportation keeps people and business moving by operating and improving the state's transportation systems vital to our taxpayers and communities."

- **Leadership.** We are committed that WSDOT provide strategic vision and leadership for our state's transportation needs.
- **Delivery and Accountability.** We shall manage the resources taxpayers and the legislature entrusted to us for the highest possible return on value. We shall be disciplined in our use of both time and money. We shall account for our achievements, our shortcomings and our challenges to citizens, to elected officials, and to other public agencies.
- **Business Practices.** We shall encourage progressive business management practices in delivering cost effective and efficient transportation services. Our quest for short-term cost savings and business process improvement shall be balanced by the long term need to preserve and improve the state's transportation systems through sound fiscal planning and asset management.
- **Safety.** Concern for the health and safety of the people who use and work on our transportation facilities shall be a paramount value in every area of our business.
- **Environmental Responsibility.** Our work shall incorporate the principles of environmental protection and stewardship into the day-to-day operations of the

department as well as the on-going development of the state's transportation facilities.

- ***Excellence and Integrity.*** Our employees shall work in a culture of workplace excellence and diversity that encourages creativity and personal responsibility, values teamwork, and always respects the contributions of one another and of those with whom we do business. We shall adhere to the highest standards of courtesy, integrity and ethical conduct. We shall encourage and recognize our employees' professionalism and their career growth.
- ***Communications.*** We shall stress the importance of sharing clear, concise and timely information with WSDOT employees, elected officials, community leaders, businesses, citizens and taxpayers, others in the transportation community, with the press and other media. We shall strive for the effectiveness of all our employees in meeting WSDOT's communications standards.

Performance Measurements

The department is working hard on project delivery and on being accountable to the public. Performance measurements play a crucial role in these efforts. The department recently began publishing a new performance measurement document known as the "Gray Notebook". This quarterly document summarizes measures, markers, and mileposts made in achieving the department's program and management activity goals and objectives.

Highlights of performance measurements presented in the "Gray Notebook" for the operating program include:

- Highway Maintenance Level of Services (Maintenance Accountability Process or MAPS)
- Snow and Ice Removal
- Average number of minutes to respond (be on site) to accidents
- Average number of minutes taken to clear traffic accidents to reinstate traffic flow
- Ferries on time trip performance
- The number of vanpools operating in the Puget Sound Region to support commute trip reduction
- Number of passengers on state supported train trips
- Percentage of rail trips completed on time
- Pilot/aircraft registration revenue
- Aviation fuel excise tax revenue

- Worker Safety

Highlights of performance measurements presented in the “Gray Notebook” for the capital program include the number of highway construction projects ready and advertised for construction bids.

The department is committed to continuous improvement and implementing innovative methods to increase efficiency and customer satisfaction. The recent development of publicly available “Real Travel Times” is an example of services added for the traveling public’s benefit. These active real travel times are updated every five minutes in order to provide travelers with travel information on the most congested corridors in the Puget Sound Region. Another example to improve traffic flow for the public is the incident response program, which assists stranded motorists, clears debris from the roadway, etc.

In the future, more measures of the department’s accomplishments will be published. The department, understanding the critical need for efficiencies and public accountability, is working with the University of Washington among others in developing new performance measurements and accountability measures to ensure the best possible results from transportation investments directed at reducing congestion.

Measurements are designed to be understandable to stakeholders, the public, and other customers. Value, benefit, and cost effectiveness will be evaluated over the short and long term and used as a management tool to improve transportation services for the traveling public.

Key Initiatives

- **Highway Construction** - The key current law initiatives include preserving the highway system. The investment level, however, is somewhat less than the highway system plan recommended level so that funding can also be provided for some safety improvement projects. Highway improvement construction is the focal point of the Referendum 51 Budget with project-specific appropriations for preservation and improvement projects.
- **Traffic Operations** - One of the department’s strategies to alleviate congestion is to quickly clear incidents from the roadway. The incident response program is intended to reduce non-recurring congestion and travel times for the public. Other traffic operations initiatives include projects which improve traffic flow such as traffic and weather information cameras for motorists and media use, electronic freeway entrance equipment to enable traffic signal timing to be automatic in response to traffic flow, traveler information systems and electronic signing for motorist traffic advisory, and the commercial vehicle information systems and networks to continue enhancing freight mobility.
- **Information Technology (IT)** – Whether or not Referendum 51 passes in November 2002, major strengthening of information technology systems will be required to execute and maintain appropriate controls and accountability.

The department is proposing to assess and develop a modernization strategy / feasibility study for ten critical business systems that support WSDOT's statewide highway construction delivery program. This is needed to provide seamless and efficient access to program, project, accounting, and budget information and to resolve existing data accuracy, integration, and reporting problems.

- ***Risk Management*** - The department, working cooperatively with OFM, has identified significantly increased funding needs to address additional risk management issues and insurance needs. Increases are required for the 2003-05 self-insurance premium for tort liability indemnity payments and Attorney General tort defense charges on tort liabilities (exclusive of Washington State Ferries [WSF]), OFM's Division of Risk Management administrative handling fees for the department's liabilities, and anticipated excess liability commercial insurance costs required for ferries.

Department initiatives to address increasing costs include:

- Proactive risk management activity to reduce future claims.
- Effective management of current tort claims.
- Follow-up on claims management.

Summary

The 2003-05 Current Law Budget and associated ten-year financial plan reflect the Transportation Commission's judgment on how best to deliver transportation services to the public within the constraints of limited resources. The Commission and the department are continuing efforts to identify and implement efficiencies for cost savings, but the majority of the reductions in the current law proposal are service reductions and the indefinite deferral of transportation improvement projects. Even though not all projects and services are funded, many beneficial activities will be completed within current law funding.

The 2003-05 Referendum 51 Budget and associated ten-year financial plan reflects additional investments in the transportation system that the department will deliver to respond to some of the most important transportation needs of the state with added revenue from the sources described in the referendum.

These proposals identify needs to be accomplished to achieve the department's transportation goals and are the highest priorities in the present environment.

Operating Program Summaries

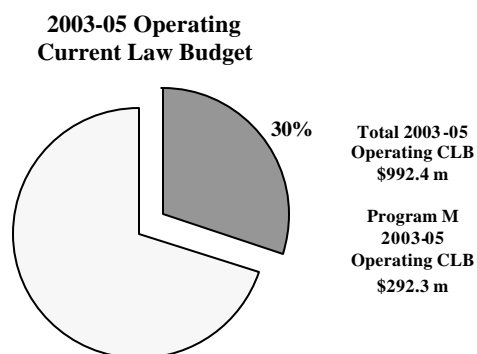
Operating Program Summaries

Key Points - Current Law and Referendum 51 Budgets

Highway Maintenance and Operations (M)

Highway Maintenance is responsible for maintaining over 17,995 lane miles of state highways, 10 major mountain passes, 45 rest areas, 3,291 bridges and 850 state-owned and operated traffic signal systems. This program's objective is to maintain the highway infrastructure in good working order and to keep people and goods moving through all kinds of weather and natural disasters. Maintenance provides the highest service level that available resources allow.

The Current Law Budget for Maintenance includes inflation with the goal of keeping program delivery expectations at the 2001-03 funding level. The department will continue to strive to meet Maintenance Accountability Process overall level of service average of "C" with its increased maintenance demands.

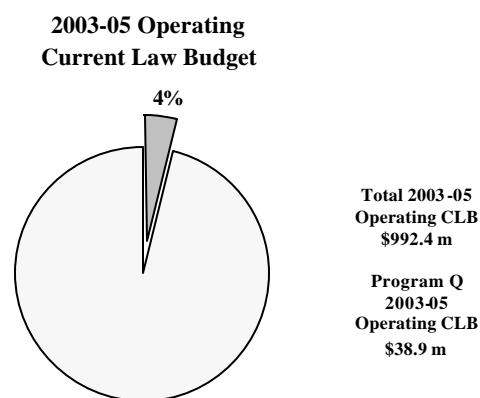


Traffic Operations (Q)

Traffic Operations is responsible for accomplishing the highest usage of the existing highway transportation system, utilizing regulatory measures and traffic control devices as primary tools for maximizing existing capacity and improving safety. Services include freeway and tunnel operations and incident response for traffic incidents, including bridge and tow truck operations and roving service patrols.

The Current Law Budget includes additional funding for system additions such as new traffic signals, ramp meters, electronic message signs, communications stations, roadway/traffic web sites, and roadway weather information stations. The additional funding, however, will not be adequate to address the operation of all the additions to the state highway system completed in the 2001-03 biennium.

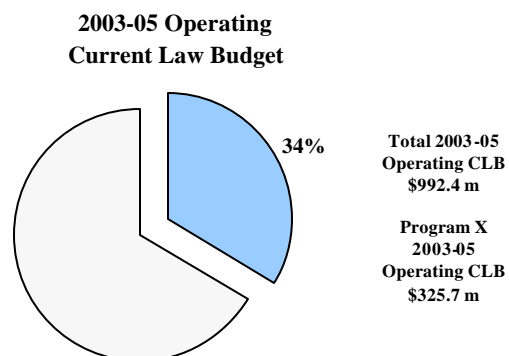
The Current Law Budget includes funding to continue the expanded incident response program in the 2003-05 biennium. Also, the program will continue its current level of partnership support for the HERO program (\$30,000), an educational effort to inform HOV lane violators of the purpose, rules, and value of the lanes.



Washington State Ferries Maintenance and Operations (X)

Ferries provides for the maintenance and operations of the Washington State Ferry vessels and terminals. The service directly links eight Washington counties and one Canadian province through ten routes served by 29 vessels. The ferry system averages 480 departures and 73,000 passengers per day.

The Current Law Budget provides additional funding to maintain the 2001-03 level of service, for insurance premiums needs, and for initiatives to improve business processes, manage risk and improve safety, leverage technology, and reduce long term costs.

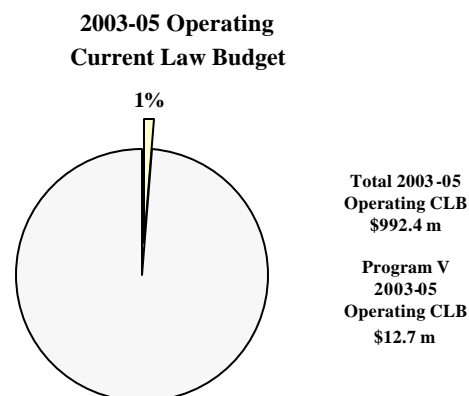


Referendum 51 funds passenger-only ferry service between Kingston and Seattle, and Southworth and Seattle beginning in the fall of 2003.

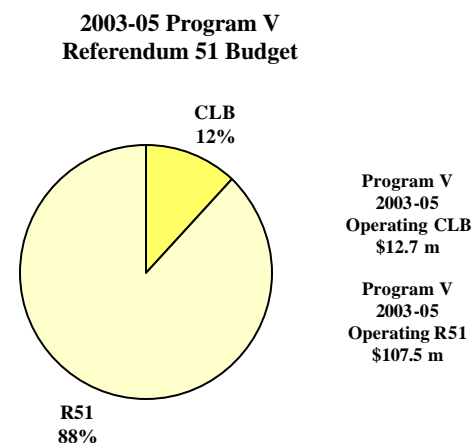
Public Transportation (V)

The Public Transportation program provides support for public transportation and trip reduction efforts throughout the state. In the 2003-05 biennium, Public Transportation will continue its efforts to develop and implement strategies and initiatives that encourage alternatives to the single occupant vehicle and that support public transportation programs.

The Current Law Budget constrains Public Transportation to multi-modal revenue that is available after funding passenger only ferry and rail operations. Funding is eliminated for an estimated four Rural Mobility Grants for operating, capital and planning assistance to rural communities. Funding is reduced for the Agency Council on Coordinated Transportation (ACCT) Program by eliminating the funding for the local community coordination plans and one position to support the community planning process.



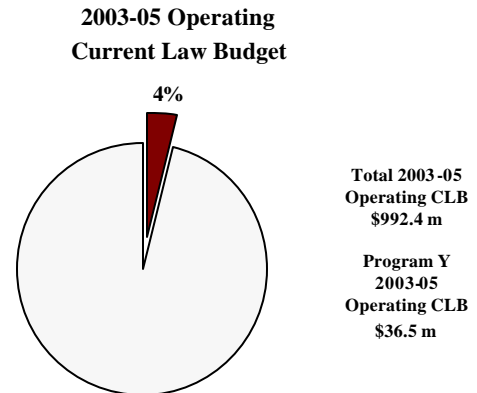
Referendum 51 increases funding for grant programs, including Rural Mobility, Paratransit, and Commute Trip Reduction, and the twenty-six established public transit agencies. The referendum also provides funding to expand the vanpool and park and ride lot programs. Since Referendum 51 provides no additional resources to administer the enhanced program, the department will be significantly challenged to manage the additional responsibility within current law resources.



Rail (Y)

The Rail program manages, coordinates, and supports rail passenger and rail freight in cooperation with AMTRAK and other rail lines.

The Current Law Budget uses limited resources to continue to make rail freight and passenger service integral components of the state's transportation system. This plan includes maintaining the level and quality of service of the four state sponsored Amtrak passenger runs; and preserving the light density rail freight service as an important component of the state's transportation system.

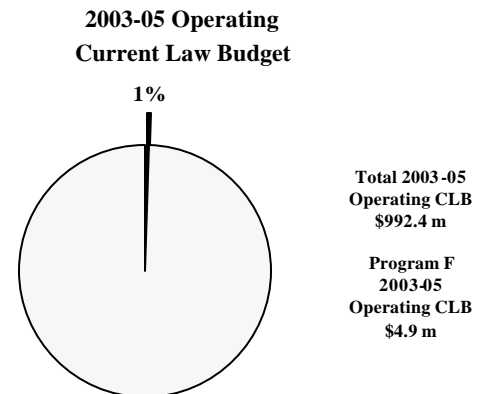


Aviation (F)

The Aviation program supports a number of aviation services, including conducting search and rescue operations, technical and financial aid to local public use airports, registration of pilots and aircraft, and management of the 15 state owned or operated airports. The program also assists local governments, the aviation community, and the general public to comply with federal and state aviation regulations.

The Current Law Budget is constrained to available aviation funds and \$0.8 million General Fund support for airport preservation projects.

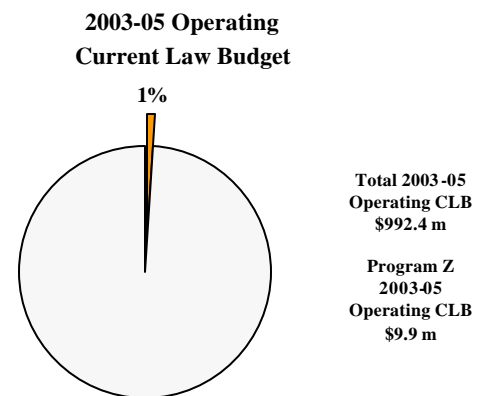
Although funding falls short of identified needs, anticipated federal funds together with available state funds will allow the aviation planning and technical assistance program to implement projects that address aviation safety, help local communities with airport and aviation related planning, and provide information needed to achieve an efficient allocation of airport preservation grants.



Local Programs (Z)

Local Programs manages federal aid to counties and cities for design, right of way, and construction work off the state highway system; technical guidance on federal and state policies and regulations; engineering training and transfer of new technological applications; advice on traffic engineering techniques and criteria to smaller municipalities; and assistance in microcomputer applications in traffic engineering and safety analyses. The program exercises local oversight and provides educational and technical support to local agencies, tribal governments, and other transportation partners to help them succeed in meeting local transportation goals. Additionally, this program subsidizes Wahkiakum County to help support operation of the Puget Island ferry.

The Current Law Budget provides funding for maintaining existing services, the Maintenance Administrative Review Program, the Right of Way Assistance Program, Community Partnering Funds, the Endangered Species Act training, and the Wahkiakum County Ferry operating subsidy.

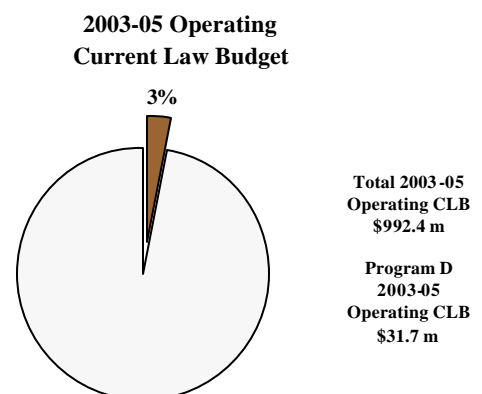


Referendum 51 funds additional staff needed by the Office of Equal Opportunity to provide local agencies with assistance in complying with Disadvantaged Business Enterprise requirements on federally funded projects.

Facilities Maintenance and Operations (D)

Facilities Maintenance and Operations manages department buildings and other capital facilities, and provides preventive and corrective maintenance of the department's 700 buildings statewide. This includes renovation projects such as roof replacements to maintain facilities in good working condition, site environmental cleanups and other code compliance requirements, and other required services for department facilities.

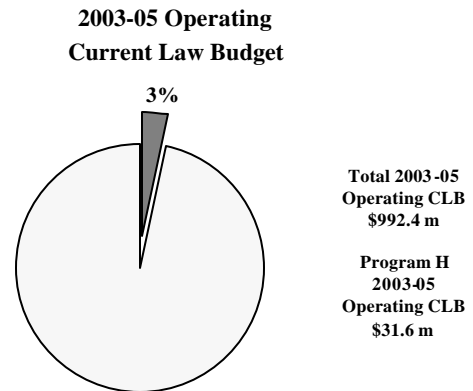
The 2003-05 Current Law Budget includes additional resources to maintain the current level of service statewide and to continue addressing the backlog of critical renovation projects.



Program Delivery Management and Support (H)

Program Delivery Management and Support is a new budget program proposed for the 2003-05 biennium. The program consolidates management support for highway construction and maintenance with regional management support. This aligns the department's financial structure with the existing management structures.

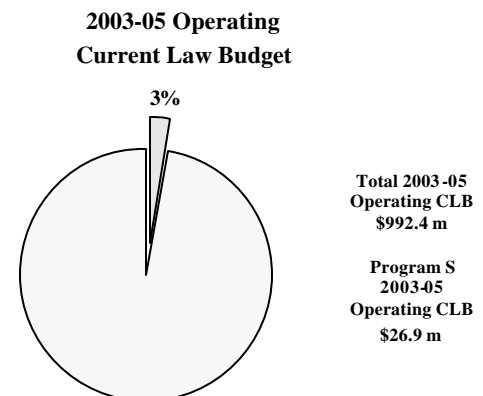
The 2003-05 Current Law Budget reduces funding for activities associated with management of the highway construction program, as well as administration and oversight of maintenance and operations programs. To absorb this reduction, the program will limit the purchases of goods and services and travel to the absolute minimum.



Transportation Management and Support (S)

Transportation Management and Support includes administrative and business functions to support the department's operations. The executive management and the policy section include executive administration, audit, equal opportunity, communications, government liaison, and the ombudsman. Business functions include resource planning (budget and financial planning), accounting, risk management administration, human resources management, mail services, publications, and some maintenance and utilities of the headquarters building.

The Current Law Budget reduces funding by approximately five percent in addition to not providing for inflation. Yet the program will need to continue to deliver the services it currently provides. The activities each have a role in ensuring that project delivery is timely and accurately accounted for, which will only be heightened if Referendum 51 and the regionalism measures pass.



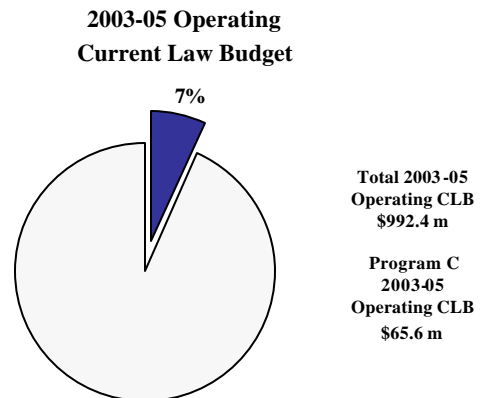
Communications and Internet investments are funded to ensure accountability to the public. Funding for lower priority business and administrative functions must be reduced to accomplish this.

Other activities that are important for project delivery and that must be addressed with available resources, include: reforming civil service; developing employee recruitment and apprenticeship programs; supporting financing activities attendant to bonding and planning for new projects; and managing increased purchasing activity. In addition, increased risk management activity is needed to reduce continuing growth in self-insurance premiums.

Office of Information Technology (C)

The Office of Information Technology is responsible for developing and maintaining information systems that support the department's operations and program delivery. The office provides information technology services to all other programs, including acquisition and operation of central data processing equipment, microcomputer hardware, software, and related support equipment.

The Current Law Budget includes infrastructure upgrades to accommodate growing electronic technologies for communicating with the public and policy-makers, a feasibility assessment to modernize critical systems, and short-term fixes to those systems. Passage of Referendum 51 would add more urgency to these modernization needs to support project delivery and accountability.



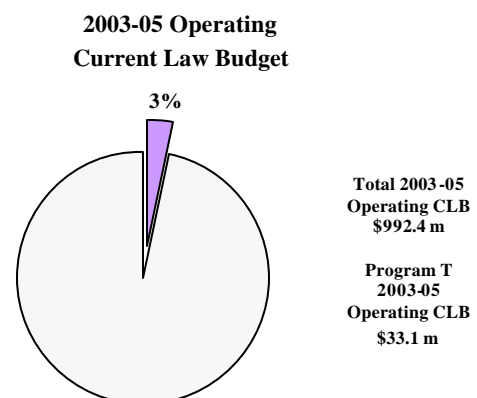
Contingent on passage of Referendum 51, funds are provided to implement ESHB 2304, which adopts certain recommendations of the state Blue Ribbon Commission on Transportation.

Transportation Planning, Data, and Research (T)

Transportation Planning, Data and Research manages, coordinates, and supports the multimodal transportation planning, data, and research needs of the department and ensures effective coordination and transportation planning with local and regional governments.

The Current Law Budget reduces funding by approximately five percent in addition to not providing for inflation. Minimal reductions will be made in lower priority data collection and/or planning areas. The effect of reductions on the ability to use federal funds will continually be assessed in relation to the department's policies and priorities.

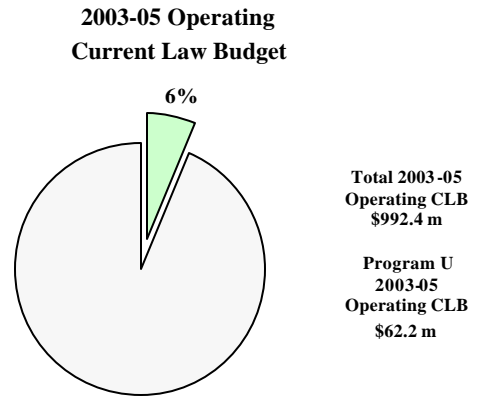
Planning priority activities will be funded to meet public expectations necessary to advance projects quickly should Referendum 51 be approved and to address legislative direction to refine and improve the department's tools for analysis of benefits and cost in corridor planning and cross-modal planning. In addition, should Referendum 51 pass, new planning and oversight activities will have to be added.



Charges From Other Agencies (U)

Charges From Other Agencies funds the department's share of statewide general overhead activities that include the Office of the State Auditor, the Department of Personnel, the Department of General Administration, the Secretary of State, and the Office of Minority and Women's Business Enterprises.

The Current Law Budget funds an increase for liability costs as specified by the Office of Financial Management (OFM) and new charges for OFM services and collective bargaining.



Capital Program Summaries

Capital Program Summaries

Key Points - Current Law Budget and Referendum 51 Budget

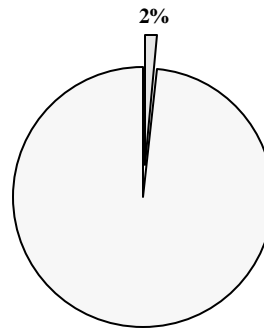
Capital Facilities (D)

Capital Facilities includes the management and funding of capital improvements to the department's buildings and other facilities. Capital improvements are focused on consolidating activities and workforce to improve productivity. Collocation with other agencies is lowering the cost of development and operations.

The Current Law Budget provides funding for the following:

- Complete construction of the Wenatchee light industrial project, the Spokane Street maintenance facility in Seattle, and the Pomeroy section maintenance facility.
- Start design of facilities projects in Ephrata, the Tri-cities area, and Vancouver.
- Make the final debt service payment on the new Southwest Region complex.
- Complete sand sheds, enhance radio facilities, complete minor projects, and provide administration of the program.

2003-05 Capital
Current Law Budget



Total 2003-05
Capital CLB
\$1,213.7 m

Program D
2003-05
Capital CLB
\$20.0 m

Traffic Operations (Q)

The Traffic Operations program includes the capital construction of Intelligent Transportation System projects to improve commercial vehicle operations, traveler information, and improved safety and congestion relief by applying advanced technology to transportation.

The Current Law Budget provides funding to complete 17 traffic flow improvement projects currently in progress and begin 15-20 new projects. Projects include: traffic and weather information cameras for motorists and media use; electronic freeway entrance equipment to enable traffic signal timing to be automatic in response to traffic flow; traveler information systems and electronic signing for motorist traffic advisory; and the commercial vehicle information systems and networks to continue enhancing freight mobility. The department proposes to transfer these activities to the Highway Improvements program in the 2003-05 biennium.

Rail (Y)

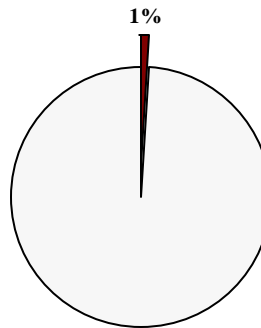
The Rail program provides management and funding of the state's investment in the capital components of the rail passenger program, including track system improvements and acquisition of passenger train equipment. Financial assistance is provided for light density freight rail systems to preserve freight rail service to communities throughout the state.

The Current Law Budget provides funding for the following:

- Intercity rail passenger infrastructure improvements, including grade crossing upgrades and signal improvements needed to maintain and possibly improve existing passenger rail service.
- Grants or loans to freight rail lines for track and other facility improvements required to continue freight rail service to communities primarily in rural areas of the state.

the Washington State Fruit express lease account to allow the Rail Program to lease express rail cars that will in turn be subleased to another party. Sublease income is intended to cover the full lease costs.

**2003-05 Capital
Current Law Budget**

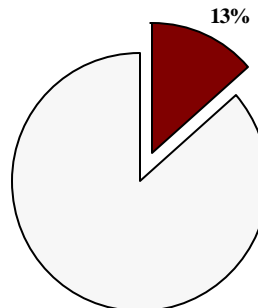


Total 2003-05
Capital CLB
\$1,213.7 m

Program Y
2003-05
Capital CLB
\$10.7 m

Referendum 51 funds additional capital investments in the rail passenger infrastructure, and provides grants and loans for the preservation of freight rail service and rehabilitation of light density rail lines. It also provides funding for construction of "truck to rail" transload sites for the Washington Produce/Fruit Express service.

**2003-05 Capital
Referendum 51 Budget**



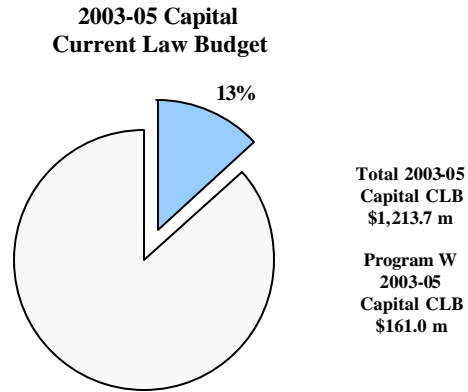
Total 2003-05
Capital R51
\$2,938.0 m

Program Y
2003-05
Capital R51
\$383.3 m

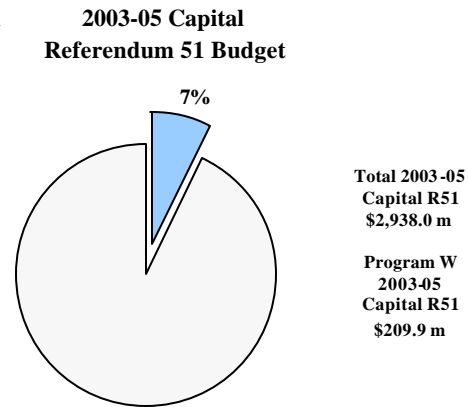
Washington State Ferries Construction (W)

The Washington State Ferries (WSF) Construction program funds construction of new vessels and terminals and preservation of existing vessels and terminals to keep them in safe, efficient operational order. WSF's infrastructure includes 29 vessels, 20 terminals and the Eagle Harbor Maintenance Facility. The Life-Cycle Model created by WSF provides the tool to effectively manage preservation projects and stabilize capital investments over time. This model provides reliable projections necessary to quantify the long-term preservation requirements and identifies the capital investment issues for the ferry system.

Ninety-six percent of capital investments for the Current Law Budget will be targeted to preservation and emergency repairs. The proposed funding for terminal preservation will improve the system-wide condition rating and includes design funding for future critical terminal preservation initiatives.



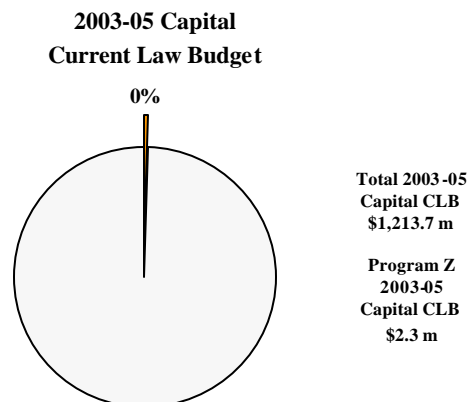
Referendum 51 funds several critical capital investments for ferries, including construction of four auto-passenger ferries to replace aging vessels; construction of multi-modal terminals at Edmonds, Mukilteo, Seattle, and Anacortes ferry terminals; and key infrastructure to expand passenger-only ferry service on Puget Sound.



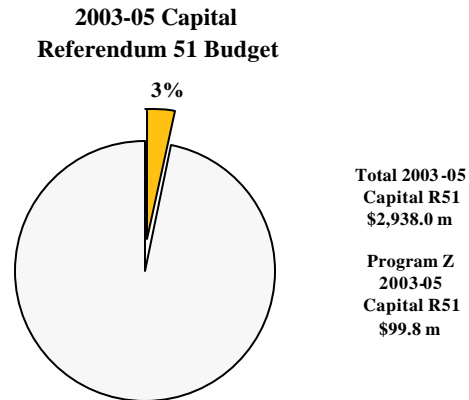
Local Programs (Z)

Local Programs manages and annually distributes federal funds to local agencies for over 1,500 transportation improvement projects off and on the state highway system. In addition, Local Programs manages and administers state funded local agency grant programs.

The Current Law Budget is earmarked for the State Infrastructure Bank and state funds to match federal funding for bridge inspections for local agencies.



Referendum 51 funds a variety of freight mobility, pavement, school safety, and rural economic projects.



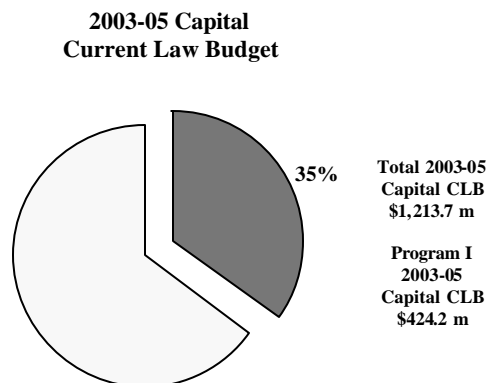
Highway Improvements (I)

The Highway Improvement program provides funding for projects that increase a highway's capacity to move more vehicles, correct highway safety deficiencies, improve the movement of freight and goods, and reduce environmental impacts resulting from highway construction projects.

Work in progress from the 2001-03 biennium is 65 percent of the available 2003-2005 funding for Highway Construction programs, leaving approximately \$300 million to fund new project starts and support activities. This high percentage of work in progress is the result of a decline in the size of this program in recent biennia. This has limited funding to undertake new projects. The fact that so much of the available funding is committed to work in progress precludes funding most of the subprograms at the recommended 2003-2022 Highway System Plan level.

In addition to the high level of work in progress, the department has to deal with a shortfall of \$45.7 million resulting from the 2002 Supplemental Budget (\$45.7 million less than the 2001 appropriation). This has caused numerous improvement projects to be delayed until the 2003-2005 biennium, or to be put on hold indefinitely.

The Current Law Budget for the Improvements Program was developed with the goal of delivering projects ready to construct, while maintaining an adequate level of investment in pre-construction activities to ensure delivery of the ongoing program in future biennia. If the public approves Referendum 51 in November, achievement of this latter goal will require increased staffing. If Referendum 51 is not approved, investment in pre-construction activities for improvements will diminish substantially.

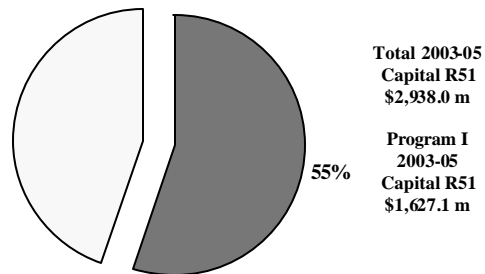


Due to funding constraints, all subprograms are funded at below Highway System Plan levels (without Referendum 51 revenues). This low level of investment will

result in further delay of needed improvements. Stand-alone safety improvements will be delivered at approximately 40 percent of the recommended Highway System Plan level, barely meeting the Federal Highway Administration's requirements. \$30 million will be programmed to begin construction on some deferred 2001-03 mobility improvement projects. Fifty projects deferred in 2001-2003 are not programmed under this budget, and are on hold indefinitely.

Referendum 51 funds a variety of highway improvements construction projects specifically appropriated by the 2002 Legislature in ESSB 6347. The projects include major endeavors such as State Routes 18, 167, 509, 395, and 520; Interstate 90 and Interstate 405; and the Alaskan Way Viaduct. Also funded are numerous other mobility and economic initiative projects, HOV, safety, and environmental projects.

**2003-05 Capital
Referendum 51 Budget**

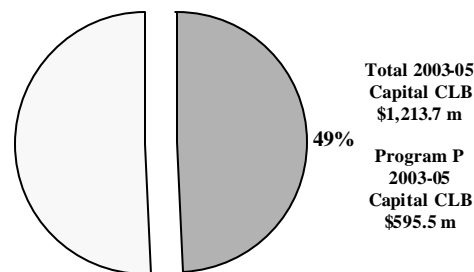


Highway Preservation (P)

The Highway Preservation program provides funding to preserve the structural integrity of the state highway system. Projects for capital investment in the existing highway system include roadway pavements, bridges, and other structures and facilities. Additional requirements are included in the Governor's Efficiency and Reform Bill.

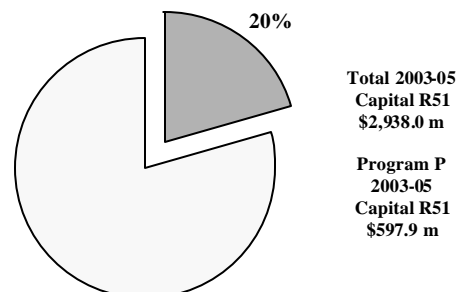
Due to funding constraints, the Current Law Budget for most subprograms is below Highway System Plan level. This low level of investment will result in a backlog of paving, bridge preservation, and other facilities preservation needs that will cost substantially more to preserve or rebuild in future biennia. The program developed for 2003-2005 includes funding to begin replacement of the East half of the Hood Canal Bridge.

**2003-05 Capital
Current Law Budget**



Referendum 51 funds improvements on the Purdy Creek Bridge in Mason County.

**2003-05 Capital
Referendum 51 Budget**



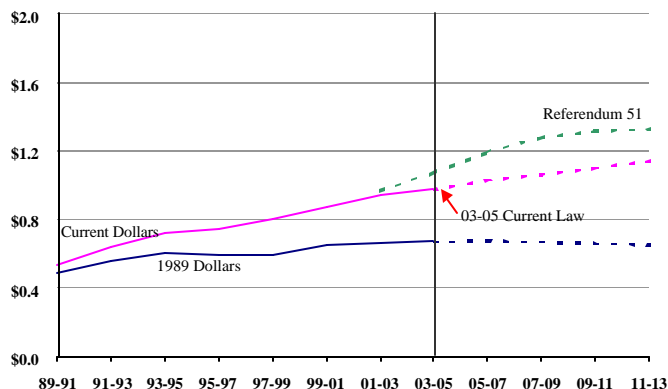
Operating Program Detail

Operating Programs Overview

The 2003-05 Current Law Budget allocates resources to the programs and activities that will sustain current levels of operations and maintain and preserve Washington State's existing transportation system. The Current Law Budget was developed with the following assumptions:

- Increase the funding for Highway Maintenance and Operations, Traffic Operations, and Facilities Maintenance and Operations with the goal of keeping the purchasing power and thus, program delivery ability, at the 2001-03 funding level.
- Increase funding for Ferries Maintenance and Operations to maintain the purchasing power at the 2001-03 level of service.
- Constrain programs funded exclusively from the Multimodal Transportation Account (Public Transportation, Rail, and passenger only ferries) to available funding.
- Maintain the Rail and passenger-only operating activities at the 2001-03 level of service.
- Fund Aviation activities with available aviation revenues and General Fund resources specifically tied to aviation activity.
- Fund Local Programs based on available city/county gas taxes for state supervision and federal funds.
- Reduce funding by about ten percent (reduce real dollars five percent and do not provide inflation to maintain purchasing power) for administrative and support programs.
- Increase funding for Charges from Other Agencies to reflect expected continuing increases in liability costs.

Expenditure Trends
(dollars in billions)

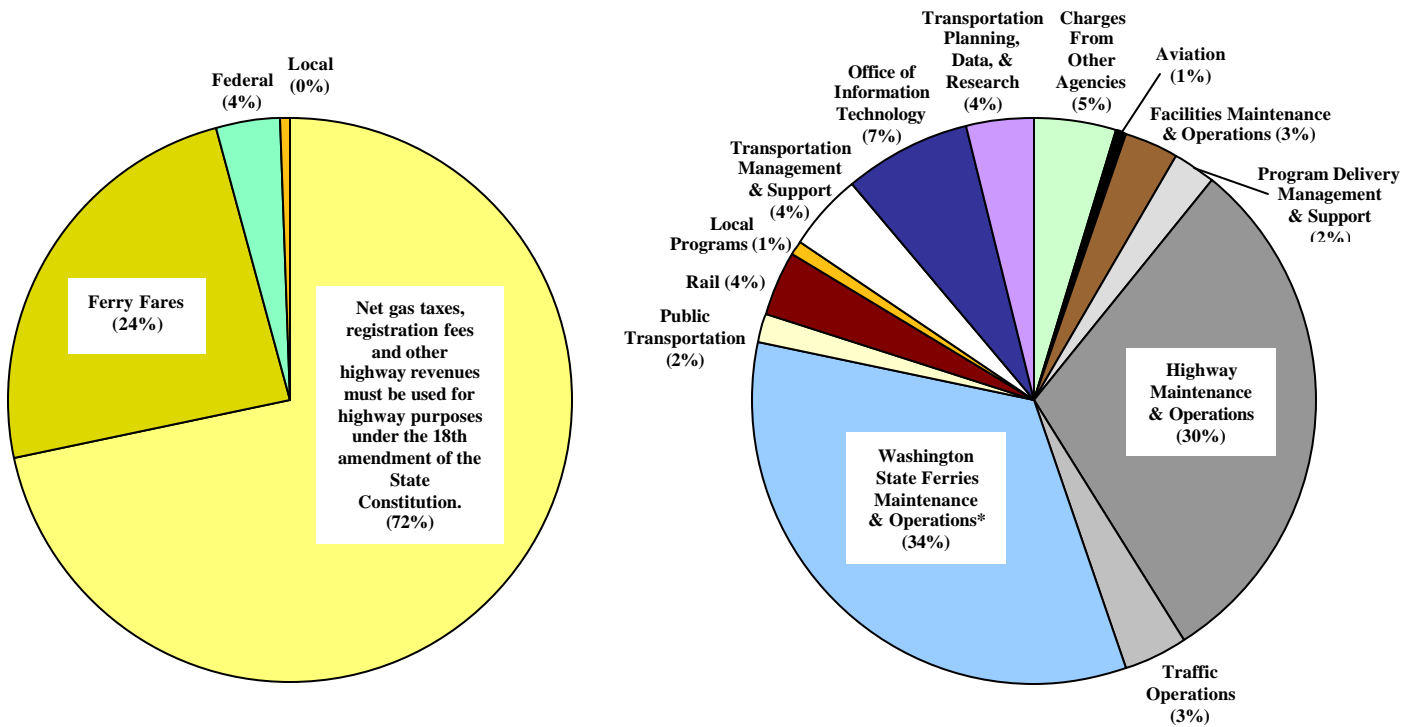


Operating funding in constant dollars has increased since 1980 by about 17 percent; however, demands on transportation facilities have increased much more rapidly over that time span:

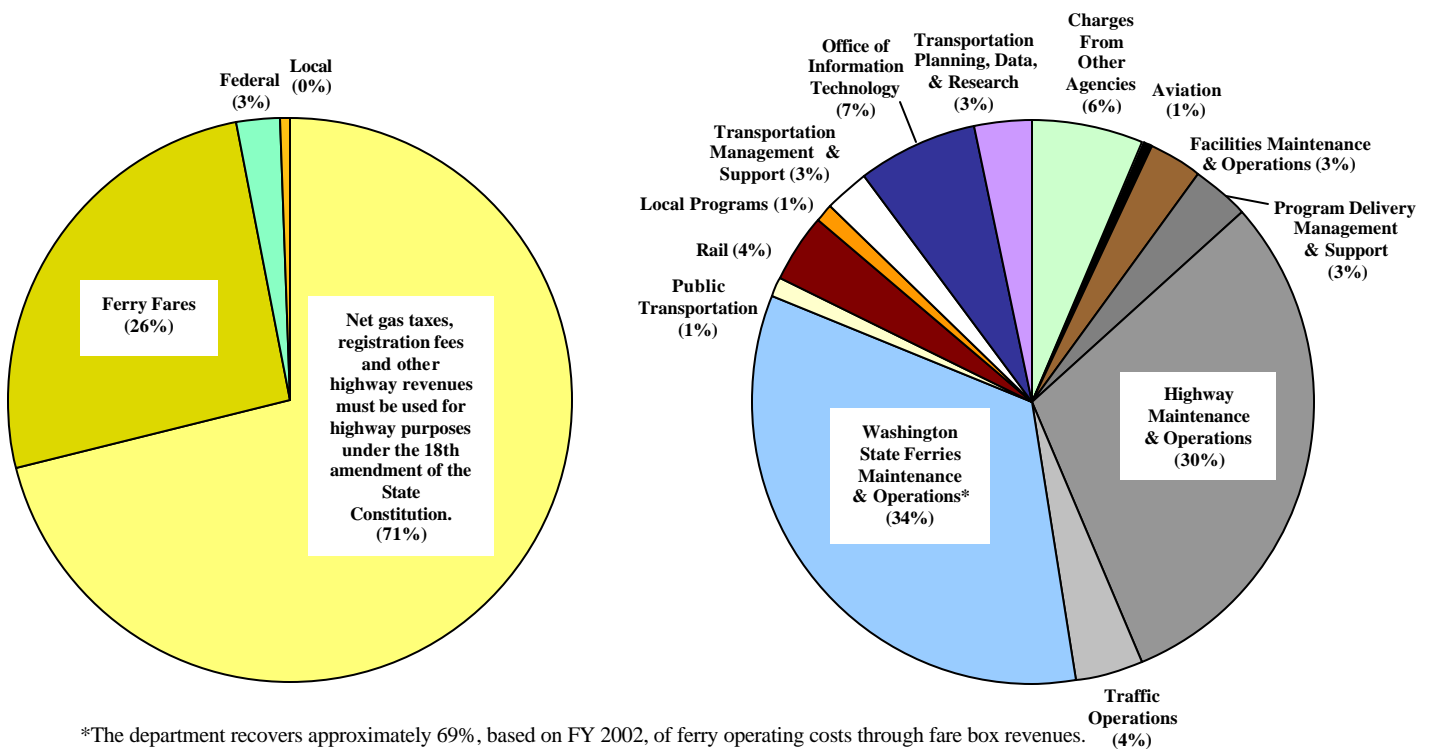
- Population increased 43%
- Jobs increased 58%
- Vehicle registration is up 57%

Vehicle miles traveled is up 88%

2001-03 OPERATING FUND SOURCES AND USES



2003-05 CURRENT LAW OPERATING FUND SOURCES AND USES



*The department recovers approximately 69%, based on FY 2002, of ferry operating costs through fare box revenues.

OPERATING BUDGET

Dollars in millions

	2001-03 Budget Now in Force*	2003-05 Carry- Forward Adjustments	2003-05 Current Law Proposals**	2003-05 Proposed Structure Changes	2003-05 Current Law Proposed Budget**	2003-05 Referendum 51 Budget Adjustments	2003-05 Referendum 51 Proposed Budget**
Highways							
Highway Maintenance and Operations	280.0	0.5	11.9	(0.1)	292.3	-	292.3
Traffic Operations	32.0	(0.1)	7.1	(0.1)	38.9	-	38.9
Highways total	312.0	0.4	19.0	(0.2)	331.2	-	331.2
Ferries							
Ferries Maintenance and Operations	311.3	5.7	8.7	-	325.7	4.3	330.0
Public Transportation and Rail							
Public Transportation	14.2	(0.4)	(1.1)	-	12.7	94.8	107.5
Rail	33.0	-	3.5	-	36.5	-	36.5
Public Transportation and Rail total	47.2	(0.4)	2.4	-	49.2	94.8	144.0
Aviation							
Aviation	5.5	(2.0)	1.4	-	4.9	-	4.9
Transportation Partnerships							
Transportation Economic Partnerships	1.4	(0.2)	-	(1.2)	-	-	-
Local Programs	9.1	(0.7)	1.2	0.3	9.9	0.4	10.3
Transportation Partnerships total	10.5	(0.9)	1.2	(0.9)	9.9	0.4	10.3
Support Services							
Facilities Maintenance & Operations	28.2	0.3	1.3	1.9	31.7	-	31.7
Program Delivery Management & Support	35.5	0.7	(1.7)	(2.9)	31.6	-	31.6
Transportation Management & Support	26.3	1.1	(0.3)	(0.2)	26.9	0.1	27.0
Office of Information Technology	68.4	1.0	(3.0)	(0.8)	65.6	0.1	65.7
Transportation Planning, Data, & Research	33.3	(1.4)	1.3	(0.1)	33.1	1.1	34.2
Charges from Other Agencies	42.8	-	19.4	-	62.2	-	62.2
Support Services total	234.5	1.7	17.0	(2.1)	251.1	1.3	252.4
Subtotal	921.0	4.5	49.7	(3.2)	972.0	100.8	1,072.8
Compensation Changes			20.4		20.4		20.4
Total	921.0	4.5	70.1	(3.2)	992.4	100.8	1,093.2

* 2001-03 Budget Now in Force includes 2001-03 Original Enacted Transportation Budget plus 2002 Supplemental Transportation Budget Changes.

**2003-05 compensations adjustments are not included in program estimates and are included separately.

2003-05 CURRENT LAW PROPOSALS

Dollars in millions

Highways

Inflation - Maintenance	4.7
Highway System Additions	7.1
Inventory Management Equipment	0.1
Incident Response Program	5.0
Impacts of Highway System Additions - Traffic Operations	2.1
Total Highways	19.0

Ferries

WSF Inflate "Other" Base	2.3
WSF Fuel Adjustment	0.5
WSF Insurance Rate Increase	2.6
WSF Labor Relations Initiative	0.3
WSF Safety Management System	0.5
WSF Vessel Staff Master	0.3
WSF Transportation Demand Management	0.2
WSF Technology System Updates	(0.2)
WSF Risk Management	2.2
Total Ferries	8.7

Public Transportation and Rail

Reduction to the Rural Mobility Grant Program	(0.6)
Reduction - Agency Council on Coordinated Transportation (ACCT) Program	(0.5)
Maintain Current Amtrak Cascades Service Frequencies	3.5
Total Public Transportation and Rail	2.4

Aviation

Aviation Planning	0.6
Local Airport Aid (General Fund)	0.8
Total Aviation	1.4

Transportation Partnerships

Maintenance Administrative Review Program for Local Agencies	0.2
Right of Way Assistance for Local Agencies	0.3
Community Partnering Funds	0.2
Endangered Species Act Training for Local Agencies	0.3
Wahkiakum County Ferry Operating Subsidy	0.2
Total Transportation Partnerships	1.2

Support Services

Facilities Maintenance & Operations Fixed Costs & Backlog of Renovation Projects	1.2
Local Programs Additional Facilities Costs	0.1
Program Delivery Management & Support Reduction	(1.7)
Reduce Administrative Functions	(1.0)
Communications Needs	1.0
Reduce Administrative Functions	(0.8)
Reduce System Development Funding	(9.7)
Information Technology Initiatives	5.3
Traffic Operations OIT Support Costs	0.7
WSF Labor Collection Workstations	0.1
WSF Ongoing Smart Card Costs	0.5
WSF Technology System Updates	0.5
WSF Technology Infrastructure	0.3
WSF OIT Support Costs	0.1
Functional Class Data Base	(0.1)
GPS Training	(0.2)
Regional Planning/System Planning	(0.7)
Program Administration and Support	(0.2)
Economics Office	(0.3)
Collision Reporting Project	2.7
Eliminate Program Support for the Public Private Initiatives Program	(0.2)
Capital Project Surcharge	0.5
Self Insurance Liability Premium	18.1
Cost of Services from Governor's Office & OFM	0.5
Collective Bargaining	0.3
Total Support Services	17.0
Compensation Changes	20.4
Total 2003-05 Current Law Proposals	70.1

HIGHWAY MAINTENANCE & OPERATIONS

2001-03 Budget in Force

The Highway Maintenance and Operations program includes maintenance of over 17,995 lane miles of state highways, ten major mountain passes, 45 rest areas, 3,291 bridges and 850 state-owned and operated traffic signal systems serving both general purpose and HOV lane systems.

- | | |
|----------------------------------|---------------------------------------|
| • Snow & Ice | • Object Removal |
| • Roadside Vegetation Management | • Culverts, Ditches, & Catch Basins |
| • Signals & Lights | • Bridge Repairs & Operations |
| • Rest Areas | • Signs, Guardrails, etc. |
| • Litter & Sweeping | • Maintenance Mgt, Training & Support |
| • Pavement Patching | |

Funding Summary – dollars in millions

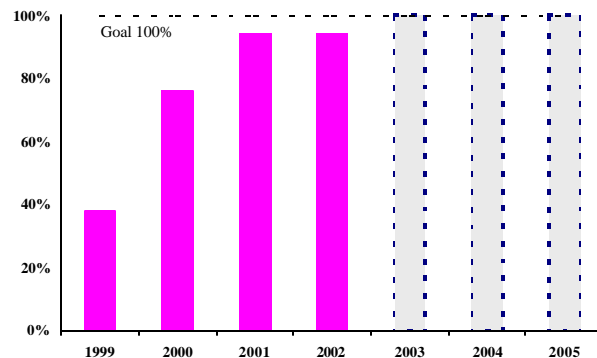
2001-03 Funding Level	284.6
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2003-05 Estimated Carry-Forward Level	280.5
Inflation	4.8
Highway System Additions	7.0
Inventory Management Equipment	0.1
Program Structure Change - Facilities Lease and Operation	(0.1)
2003-05 Current Law Budget	292.3

Performance Measures

Highway Maintenance Level of Services (Maintenance Accountability Process or MAPS)

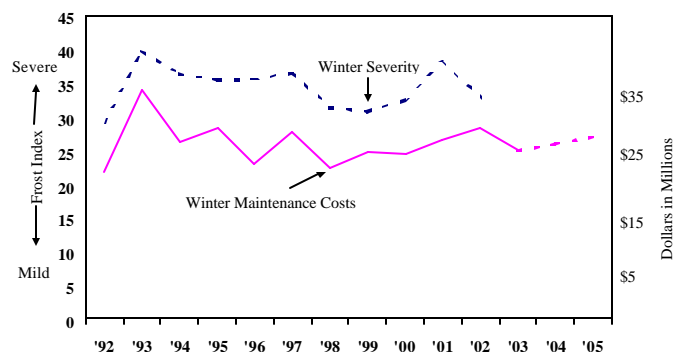
Fiscal Years 1999 to 2005



This graph displays the percent of maintenance service level targets achieved from 1999 to 2002 and the 2003 through 2005 goal of achieving 100 percent of the target. NOTE: The service level goal in 1999 was adversely impacted by revenue lost with passage of Initiative 695.

Snow and Ice Removal

Fiscal Year 1992 to 2005 Comparison



Snow and ice removal costs are affected by winter weather severity. Use of environmentally friendly materials increases the cost of snow and ice removal.

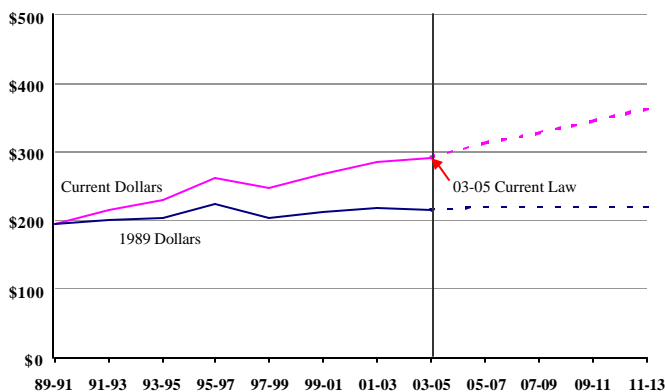
2003-05 Current Law Budget Impact and Objectives

The current law budget for Maintenance includes inflation with the goal of keeping program delivery expectations at the 2001-03 funding level. This does not address electricity costs that may exceed the projected inflationary increases. The department will continue to strive to meet Maintenance Accountability Process overall level of service average of “C” with its increased maintenance demands.

The department will be challenged to accommodate higher costs to maintain many highway segments as a result of the decrease in highway construction project spending. Additional Maintenance activities will not occur on highway segments previously planned for construction, but now eliminated from the current law Highway Construction budget. Also, with each passing year, the overall aging of bridges and paving structures tends to increase maintenance requirements and expenses.

With increased traffic volume, urbanization, and more evening and weekend maintenance work, the department’s work zone safety and motorist traffic information funding will need to increase. This may cause lower priority maintenance activities to be reduced.

Expenditure Trends
(dollars in millions)



Maintenance funding in constant dollars has increased since 1980 by about 33 percent; however,

- Vehicle miles are up 88% and vehicle registration is up 57%
- Freight and goods tonnage is up by 116%
- Maintenance on lane miles, rest areas, and bridges has increased.
- The system is getting older, requiring more maintenance.

TRAFFIC OPERATIONS

2001-03 Budget in Force

Traffic Operations manages programs involving traffic control devices and regulatory tools to optimize state system safety and capacity. Services include freeway and tunnel operations and incident response for traffic incidents, including bridge and Tow Truck operations and roving service patrols. The 2002 Supplemental Budget reduced funding for the Motorist Information Sign Program. 2SSB 5949 directed that the program of erecting and maintaining motorist information signs to be placed in the hands of a private contractor with minimal impact to the department. Up to \$3 million for the expanded incident response program will be expended from the highway preservation program per legislative direction.

Funding Summary – dollars in millions

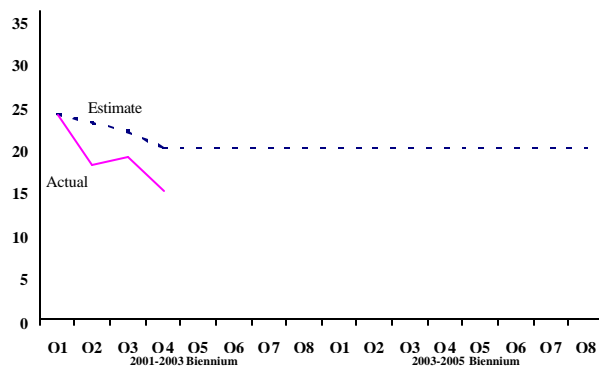
2001-03 Funding Level	32.6
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2003-05 Estimated Carry-Forward Level	31.9
Incident Response Program	5.0
Impacts of Highway System Additions	2.1
Program Structure Change - Facilities Lease and Operation	(0.1)
2003-05 Current Law Budget	38.9

Performance Measures

Average number of minutes to respond (be on site) to accidents

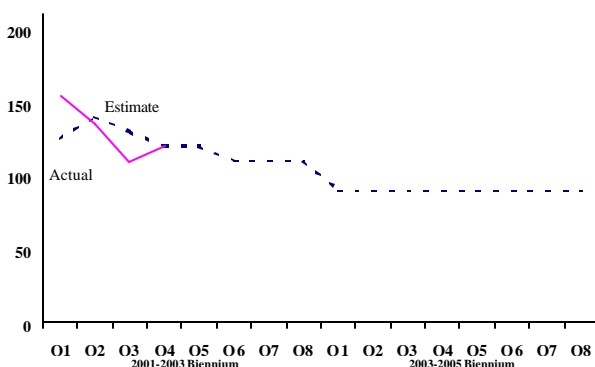
2001-2003 Biennium Compared to 2003-2005 Biennium



The average incident response time displays significant improvement in the department's ability to assist stranded motorists, clear debris from roadways, etc. In addition to improving response time, the number of incidents where assistance is provided has doubled.

Average number of minutes taken to clear traffic accidents to reinstate traffic flow

2001-2003 Biennium Compared to 2003-2005 Biennium



Quickly clearing accidents is vital since accidents are estimated to create more than one-half of the traffic congestion.

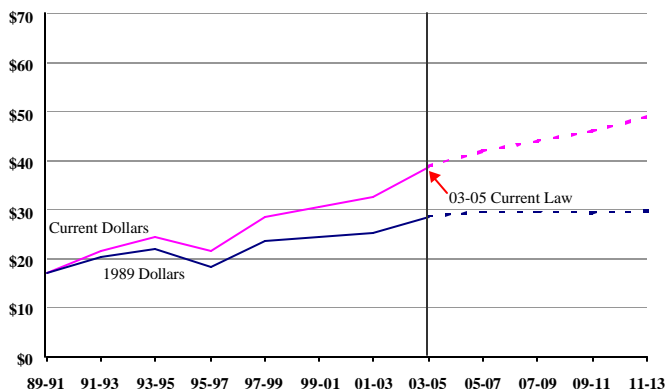
2003-05 Current Law Budget Impact and Objectives

Traffic Operations will continue to improve the safety and operations of the transportation system through prioritized low cost enhancements and traffic flow control, and by quickly clearing highway incidents. The Current Law Budget for Traffic Operations includes additional funding for system additions such as new traffic signals, ramp meters, electronic message signs, communications stations, roadway/traffic web sites, and roadway weather information stations. The additional funding, however, will not be adequate to address the operation of all the additions to the state highway system completed in the 2001-03 biennium.

The low cost enhancement program is not expanded despite the decrease in highway construction project spending. Inadequate low cost safety enhancement funding results in the inability to address immediate operational safety and efficiency concerns with interim, low cost, safety improvements to the highway system. These safety projects are often high “benefit to cost” solutions, especially when compared to long-term highway safety construction projects.

The Current Law Budget includes funding to continue the expanded incident response program in the 2003-05 biennium. Also, the program will continue its current level of partnership support for the HERO program (\$30,000), an educational effort to inform HOV lane violators of the purpose, rules, and value of the lanes.

Expenditure Trends
(dollars in millions)



Since 1980, the number of traffic signals increased 80%.

Increased demands for traffic flow improvements (low cost enhancements) result from less highway construction work.

WASHINGTON STATE FERRIES MAINTENANCE & OPERATIONS

2001-03 Budget in Force

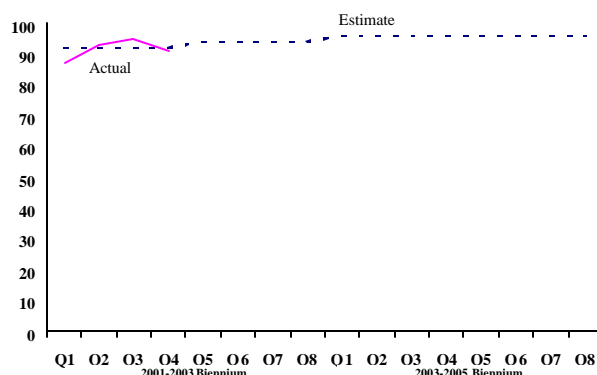
The maintenance and operation of the Washington State Ferry system includes 29 vessels, 20 terminal facilities, and the Eagle Harbor maintenance facility. The ferry system averages 480 departures and 73,000 passengers per day. Average summer peak ridership is close to 85,000 passengers per day. The 2002 Supplemental Budget included additional funding for increased insurance premiums and for emergency management costs related to security of facilities and ongoing emergency preparedness. Funding was reduced to reflect lower fuel cost projections for the 2001-03 biennium. The 2002 Supplemental Budget instructs WSF to resume participation in the Smart Card project and report to the 2003 Legislature on ongoing operating costs.

Funding Summary – dollars in millions

2001-03 Funding Level	315.9
2003-05 Estimated Carry-Forward Level	317.0
Inflate "Other" Base	2.3
Fuel Adjustment	0.5
Insurance Rate Increase	2.6
Labor Relations Initiative	0.3
Safety Management System	0.5
Vessel Staff Master	0.3
Transportation Demand Management	0.2
WSF Technology System Updates	(0.2)
Risk Management	2.2
2003-05 Current Law Budget	325.7
Passenger-Only Ferry Service - Kingston/Seattle & Southworth/Seattle	4.3
2003-05 Referendum 51 Projects	4.3
Total 2003-05 Budget	330.0

Performance Measures

Ferry On Time Performance: percent of trips within 10 minutes of schedule
2001-2003 Biennium Compared to 2003-2005 Biennium
(percent)



The majority of ferry trip delays are the result of circumstances outside of the department's control, e.g., low tides, the weather, and vessel mechanical issues.

2003-05 Current Law Budget Impact and Objectives

The Current Law Budget for Washington State Ferries includes inflation to maintain the 2001-03 level of service, including passenger only service. Financial issues include:

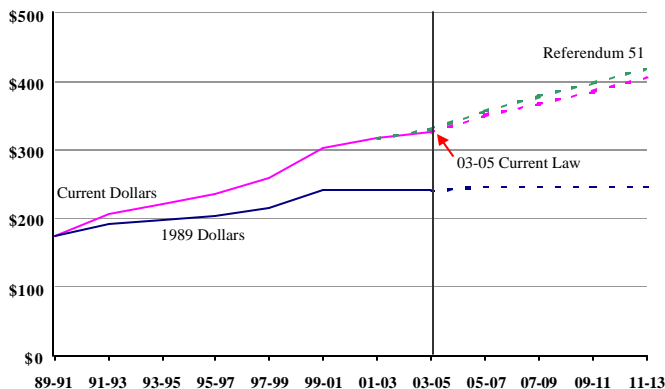
- Significant increases in the marine master insurance policy covering hull and indemnity,
- Large existing liabilities for indemnity payments and tort defense,
- Increased regulatory requirements relating to security, safety, and the environment,
- Maintaining ridership in the face of increasing tariffs,
- Fuel cost volatility, and
- Ongoing operating costs of the Regional Fare Collection initiative (Smart Card).

Funding is included to strengthen risk management at WSF. This will enable WSF to take a proactive stance in managing the continued risks associated with injuries and claims.

2003-05 Referendum 51 Budget

Referendum 51 includes funding to provide passenger ferry service between Kingston and Seattle, and Southworth and Seattle beginning in the fall of 2003.

Expenditure Trends
(dollars in millions)



Substantial fare increases are required to fund services after the loss of motor vehicle excise tax.

Ridership increased 59% since 1980.

Minimal capital investment may cause higher ferry operating costs.

PUBLIC TRANSPORTATION

2001-03 Budget in Force

The Public Transportation program is responsible for developing, implementing, and managing strategies, initiatives, and policies that support alternatives to the single occupant vehicle. The program provides financial and technical assistance to local jurisdictions and public transportation agencies; and manages the state's commute trip reduction program and the Agency Council on Coordinated Transportation (ACCT). The 2002 Supplemental Budget reduced funding for the Commute Trip Reduction (CTR) advertising campaign, leaving only the minimum state funding necessary to secure planned federal funds.

Funding Summary – dollars in millions

2001-03 Funding Level	27.7*
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2003-05 Estimated Carry-Forward Level	13.8
Reduction to the Rural Mobility Grant Program	(0.6)
Reduction - Agency Council on Coordinated Transportation (ACCT) Program	(0.5)
2003-05 Current Law Budget	12.7

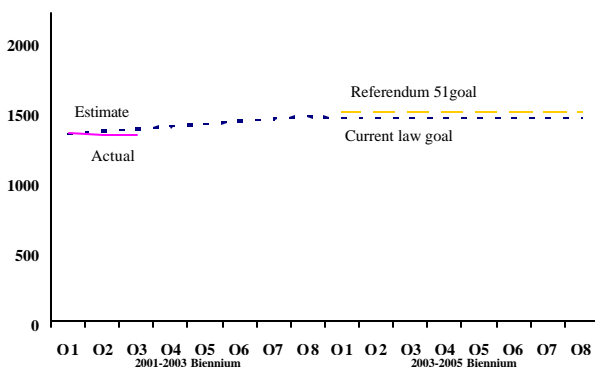
* Includes \$11.6M in fiduciary and oil rebate funds not shown in 2003-05 Estimated CFL.

Rural Mobility Grant Program	10.5
Paratransit Grants	10.5
Transit Distribution	40.0
Vanpool Expansion	6.3
Commute Trip Reduction Grants	13.5
Park And Ride Expansion	13.8
Transportation Efficiencies (ESHB 2304)	0.2
2003-05 Referendum 51 Projects	94.8

Total 2003-05 Budget	107.5
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Performance Measures

Number of vanpools currently operating in the Puget Sound Region
with the goal of reducing trips (commute trip reduction)
2001-2003 Biennium Compared to 2003-2005 Biennium



Within Current Law, all currently owned vans are assumed to be in operation. With funding from passage of R51, an additional 45 vans are assumed to be purchased and in operation.

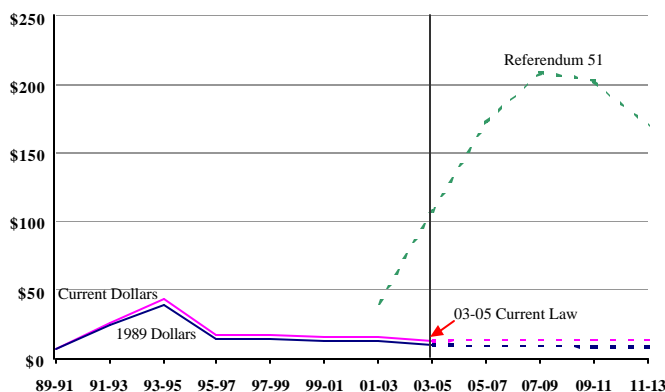
2003-05 Current Law Budget Impact and Objectives

Public Transportation program is constrained to available multi-modal revenue after funding passenger only ferry and rail operations. Funding is eliminated for an estimated four Rural Mobility Grants for operating, capital and planning assistance to rural communities. Funding is reduced for the ACCT Program by eliminating the funding for the local community coordination plans and one position to support the community planning process.

2003-05 Referendum 51 Budget

Referendum 51 increases funding for grant programs, including Rural Mobility, Paratransit, and Commute Trip Reduction, and the twenty-six established public transit agencies. The referendum also provides funding to expand the vanpool and park and ride lot programs. Since Referendum 51 provides no additional resources to administer the enhanced program, the department will be significantly challenged to manage the additional responsibility within current law resources.

Expenditure Trends
(dollars in millions)



Public transportation funding has been declining while needs for public transportation increase.

Transit and vanpool riders are up 75% since 1980.

NOTE: 1993-95 state grant funding was substantially higher than usual.

RAIL

2001-03 Budget in Force

The Rail program provides support, administration, coordination, and planning for passenger rail and freight rail, including \$23 million of operating subsidies for the AMTRAK Cascades Service. The 2002 Supplemental Budget increased funding by \$900,000 for the four state sponsored passenger rail service runs and decreased funding by \$600,000 for AMTRAK advertising (net increase of \$300,000).

Funding Summary – dollars in millions

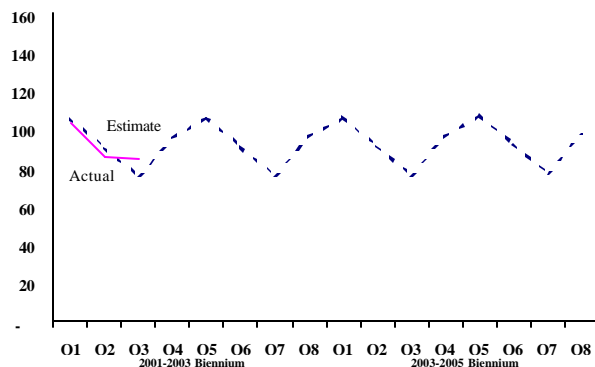
2001-03 Funding Level	33.1
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2003-05 Estimated Carry-Forward Level	33.0
Maintain Current Amtrak Cascades Service Frequencies	3.5
2003-05 Current Law Budget	36.5

Performance Measures

Number of passengers on state supported train trips

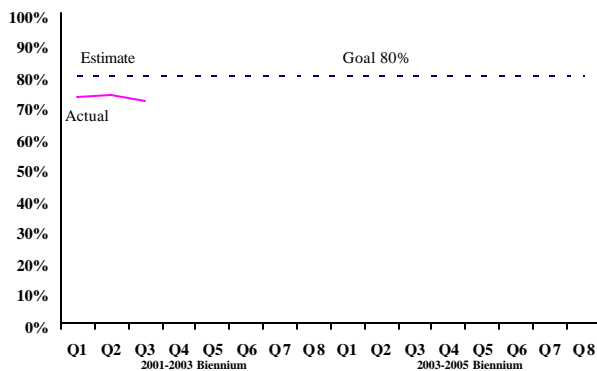
2001-2003 Biennium Compared to 2003-2005 Biennium
(in thousands)



On-time performance for state supported service is averaging about 70 to 75 percent. Delays were attributed to BNSF's track repair and tie replacements. The number of passenger peaks with the summer tourist season.

Percentage of rail trips completed on time

2001-2003 Biennium Compared to 2003-2005 Biennium



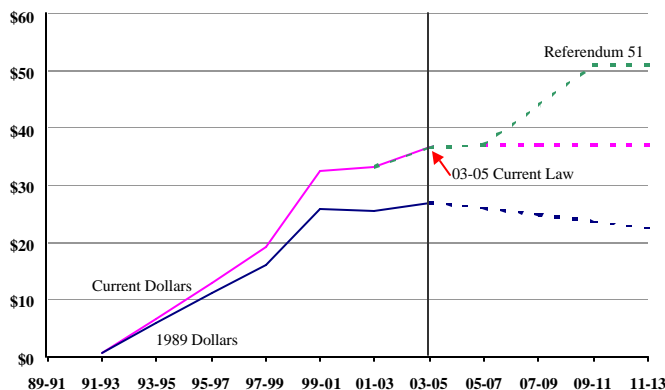
2003-05 Current Law Budget Impact and Objectives

The Current Law Budget includes funding to maintain the 2001-03 level of service, including four state sponsored passenger rail service runs and freight rail coordination, assistance, and planning. Additional funding provides for increased fuel, labor, and general information costs associated with the contracted operation and maintenance of the state-supported Amtrak Cascades rail service. The additional funding will also offset the decrease in Amtrak funding which is approximately five percent per year less due to a congressional mandate. By the beginning of the 2003-2005 biennium, the department is expected to be fund 100 percent of the operating support not recovered through fare box charges for all state supported trains. The department will continue to monitor federal support for the rail program, including possible reductions in future Amtrak *Cascade* service in Washington.

Additional funds also support increased contracted costs of maintaining state owned equipment (the existing maintenance contract is currently under renegotiation).

Marketing funds are included in the budget. With no service enhancements such as reduced travel times or additional frequencies, marketing becomes increasingly important as a method of maintaining ridership levels and the associated fare box revenues. A lack of assertive marketing may further erode ridership revenues, thereby requiring additional state support for passenger rail operations.

Expenditure Trends
(dollars in millions)



Plans to continue expanding the rail program were dramatically impacted by the loss of the motor vehicle excise tax.

AVIATION

2001-03 Budget in Force

The Aviation program provides the following: management and planning for search and rescue operations, technical and financial aid to local airports, pilot and aircraft registration, management of 15 state owned or operated airports, and federal and state aviation regulatory compliance assistance to local governments and the public. State grants and technical assistance are provided to municipalities for capital projects of local public use airports. Projects include runway paving, resurfacing, and crack sealing. The 2002 Supplemental Budget provided additional funding for airport assistance grants and Federal Aviation Administration planning grants.

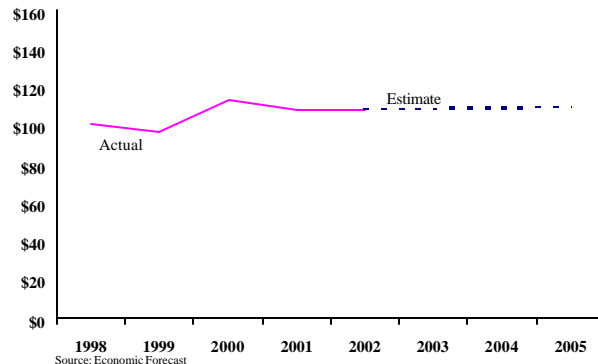
Funding Summary – dollars in millions

2001-03 Funding Level	5.8
2003-05 Estimated Carry-Forward Level	3.5
Aviation Planning	0.6
Local Airport Aid (General Fund)	0.8
2003-05 Current Law Budget	4.9

Workload Indicators

Pilot/aircraft registration revenue

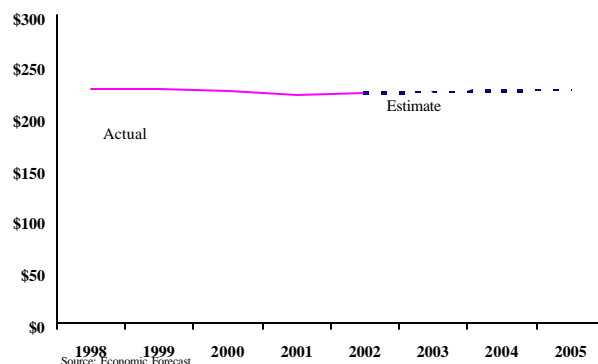
Fiscal Years 1998 to 2005
(dollars in thousands)



The department is planning strategies to increase the number of pilot and aircraft registrations and associated revenue. The strategies focus on program partnerships with the Department of Revenue and improved outreach to the 25, 000 pilots and owners of the 10,000 aircraft in the state. The 2001-03 performance improvement goal for registration is 20%.

Aviation fuel excise tax revenue

Fiscal Years 1998 to 2005
(dollars in thousands)

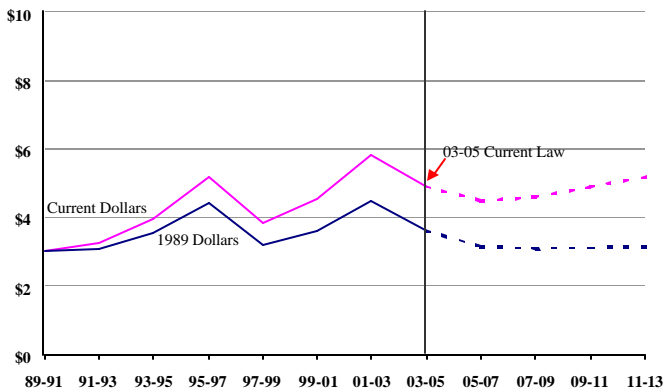


The department is planning strategies to increase the amount of the aviation fuel excise tax revenue received by WSDOT to enhance the state's airport grant program.

2003-05 Current Law Budget Impact and Objectives

Available dedicated aviation revenues will constrain the Aviation Program, requiring a reduction in funding for the management and support program and limited support for the local airport aid grant program. In order to provide funding for critical local airport preservation projects, \$0.8 million will be requested from the general fund (aircraft related tax sources) for the grant program. Aviation will continue to seek Federal Aviation Administration planning grants to fund additional projects, including a pavement assessment study, pavement maintenance, a community air service study, and several airport master plans for small airports.

Expenditure Trends
(dollars in millions)



Aviation revenue fluctuations continue to impact the funds available to address the backlog of grant requests to fund local airport needs.

TRANSPORTATION ECONOMIC PARTNERSHIPS

2001-03 Budget in Force

Transportation Economic Partnerships provides management support for development of partnerships with private firms to develop and operate needed transportation facilities and activities. The 2002 Supplemental Budget provided additional funding for a study of private-public partnerships in transportation.

Funding Summary – dollars in millions

2001-03 Funding Level	1.5
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2003-05 Estimated Carry-Forward Level	1.2
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Transfer to Transportation Planning, Data, and Research	(1.2)
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2003-05 Current Law Budget	-
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2003-05 Current Law Budget Impact and Objectives

With the Tacoma Narrows Bridge project in progress, the department's role in administering the project is now placed with the Highway Improvement program. The department is seeking other opportunities for private-public partnerships and assisting and working with developers on specific corporate needs to improve the transportation system.

The department proposes to transfer these activities to the Transportation Planning, Data, and Research program in 2003-05.

LOCAL PROGRAMS

2001-03 Budget in Force

Local Programs administers state and federal funded grant programs. The program exercises local oversight delegated by the Federal Highway Administration (FHWA) and also provides educational and technical support to local agencies, tribal governments, and other transportation partners to help them succeed in meeting their transportation goals. Additionally, this program makes payments to Wahkiakum County for the deficit in operating and maintenance costs of the Puget Island Ferry. The 2002 Supplemental Budget increased the Wahkiakum Ferry operating subsidy to match actual costs.

Other legislative requirements included in the original and supplemental budgets are as follows:

- Regional transportation governance - Provide funds to the Whatcom County Council to develop, implement, and report on a model.
- Concurrency issues - Study concurrency issues in urban areas marked by multiple contiguous jurisdictions, lead by the City of Bellevue.
- Seattle Sea Wall - Study alternatives for repairing or replacing the seawall with a matching contribution from the City of Seattle.
- One-Stop funding - Establish and staff a joint task force that will develop recommendations for a “one-stop funding center” for state funded local grant programs. The report was submitted to the legislature on November 30, 2001.

Funding Summary – dollars in millions

2001-03 Funding Level	9.3
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2003-05 Estimated Carry-Forward Level	8.4
Maintenance Administrative Review Program for Local Agencies	0.2
Right of Way Assistance for Local Agencies	0.3
Community Partnering Funds	0.2
Endangered Species Act Training for Local Agencies	0.3
Wahkiakum County Ferry Operating Subsidy	0.2
Transfer Bicycle and Pedestrian Planning	0.3
2003-05 Current Law Budget	9.9

Transportation Efficiencies (ESHB 2304)	0.2
Disadvantaged Business Enterprise (DBE) Assistance for Local Agencies	0.2
2003-05 Referendum 51 Projects	0.4

Total 2003-05 Budget	10.3
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2003-05 Current Law Budget Impact and Objectives

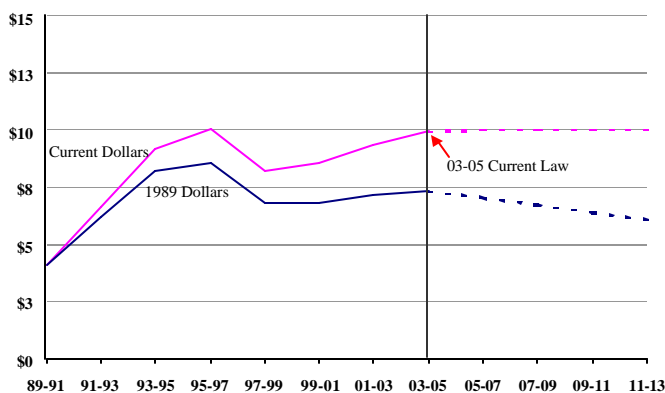
The Current Law Budget includes funding to maintain the 2001-03 level of federal oversight and financial support, as well as educational and technical support to local agencies, including cities, counties, ports, transit agencies, tribal governments, and other transportation partners. Funding will help the department meet the increasing requests for assistance from local governments for activities such as:

- The Maintenance Administrative Review Program, providing oversight to local agencies in complying with rules governing maintenance functions as contained within the Endangered Species Act;
- Right of Way compliance, assisting local governments in complying with federal right of way regulations in order to proceed with projects in a timely manner;
- Community Transportation Partnering, coordinating with transportation partners on developing plans in the early stages of projects for activities such items as visioning, preliminary planning, preparing cost estimates and conceptual plans;
- Endangered Species Act Training, implement a program to provide training to local agencies on how to conduct roadway maintenance activities in compliance with regulations contained in the Endangered Species Act; and
- Wahkiakum County, subsidizing ferry operating and maintenance costs for the Puget Island Ferry across the Columbia River.

2003-05 Referendum 51 Budget

Referendum 51 funding provides funding for additional staffing needed by the Office of Equal Opportunity to provide local agencies with assistance in complying with Disadvantaged Business Enterprise requirements on federally funded projects.

Expenditure Trends
(dollars in millions)



With reduced local government resources, the department is striving to address additional requests for assistance in meeting ESA and stormwater requirements, consultant and right of way services, etc.

FACILITIES MAINTENANCE & OPERATIONS

2001-03 Budget in Force

Facilities Maintenance and Operations manages department buildings and other capital facilities, and provides preventive and corrective maintenance of the department's 700 buildings statewide, including 133 separate maintenance facilities and the six regional headquarters complexes. This includes renovation projects such as roof replacements to maintain facilities in good working condition, site environmental cleanups and other code compliance requirements, and other required services for department facilities.

Funding Summary – dollars in millions

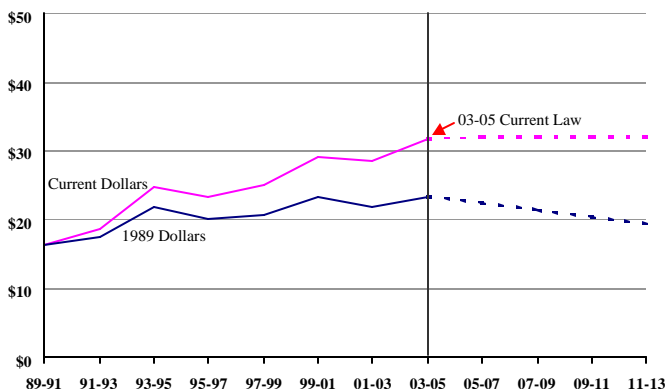
2001-03 Funding Level	28.5
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2003-05 Estimated Carry-Forward Level	28.5
Fixed Costs & Backlog of Renovation Projects	1.2
Local Programs Additional Facilities Costs	0.1
Program Structure Change - Facilities Lease and Operation	1.1
Highway Management Reorganization	0.8
2003-05 Current Law Budget	31.7

2003-05 Current Law Budget Impact and Objectives

The 2003-05 Current Law Budget for Facilities Maintenance and Operations includes additional resources to maintain the current level of service statewide and to continue addressing the backlog of critical renovation projects.

Expenditure Trends
(dollars in millions)



Funding is projected to decrease but facility operating and maintenance costs increase when new construction and renovation funding is reduced.

PROGRAM DELIVERY MANAGEMENT & SUPPORT

2001-03 Budget in Force

Program Delivery Management and Support is a new budget program proposed for the 2003-05 biennium. The funding summary reflects management support for highway programs. This aligns the department financial structure with the existing management structures. Funding is also provided to implement the Environmental Streamlining Bill.

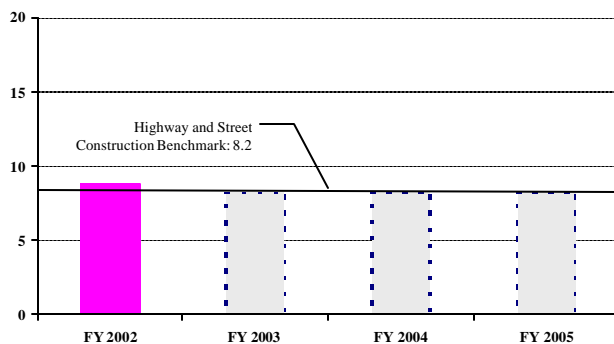
Funding Summary – dollars in millions

2001-03 Funding Level	36.4
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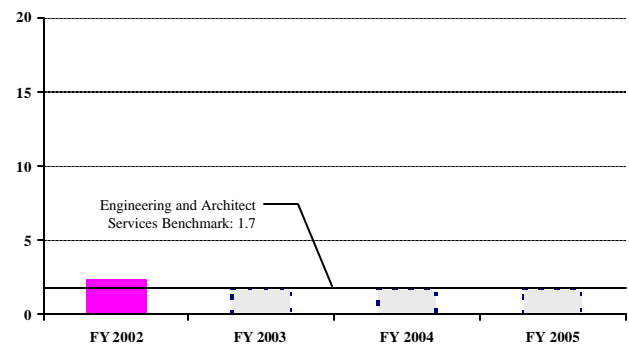
2003-05 Estimated Carry-Forward Level	36.2
Program Delivery Management & Support Reduction	(1.7)
Transfer Environmental Streamlining Funding	(3.1)
Transfer Safety Office Funding	1.0
Highway Management Reorganization	(0.8)
2003-05 Current Law Budget	31.6

Performance Measures

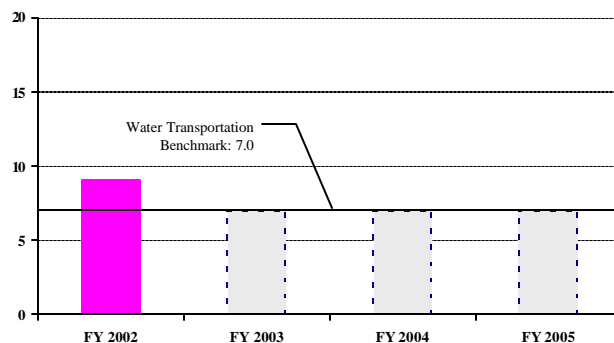
WSDOT Highway Maintenance Workers
2001-2003 Biennium Compared to 2003-2005 Biennium
Recordable Injuries per 100 Workers per Fiscal Year



WSDOT Highway Engineer Workers
2001-2003 Biennium Compared to 2003-2005 Biennium
Recordable Injuries per 100 Workers per Fiscal Year



WSDOT Ferry Vessel Workers
2001-2003 Biennium Compared to 2003-2005 Biennium
Recordable Injuries per 100 Workers per Fiscal Year



Worker safety initiatives include a new “safety buddy system” as an accident reduction strategy, back injury prevention analyses, high visibility clothing issuance to on-site workers, work zone safety awareness programs, and continued training and reporting.

Charts display the average quarterly injuries in FY02 per 100 workers and the national benchmark for future biennia goals.

2003-05 Current Law Budget Impact and Objectives

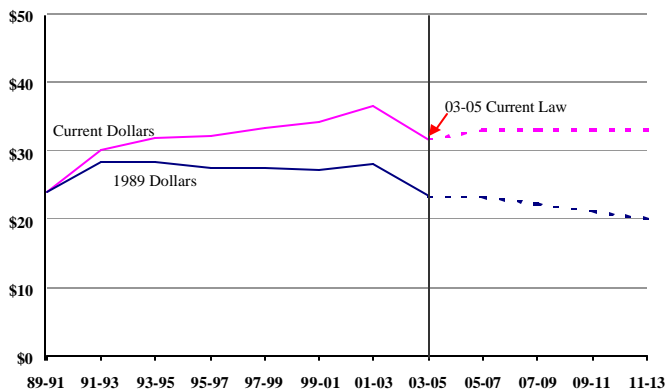
The 2003-05 Current Law Budget reduces funding for activities associated with management of the highway construction program, as well as administration and oversight of maintenance and operations programs. The reduction may adversely impact the department's ability to manage regional transportation investments and other "Mega" projects. With passage of Referendum 51, the department would be undertaking potentially the largest infrastructure-building program in the nation. The referendum does not provide any additional funding for any operating services or activities, so the department will be challenged to deliver projects, services, and assistance with increasingly constrained financial resources.

The department proposes to:

- Transfer funding for regional management and support and the Safety Office from Transportation Management and Support in the 2003-05 biennium.
- Transfer funding for the Environmental Streamlining bill to Highway Construction.

Expenditure Trends

(dollars in millions)



TRANSPORTATION MANAGEMENT & SUPPORT

2001-03 Budget in Force

The management and support service functions include Executive Management, Human Resources, Audit, Equal Opportunity, Communications, Governmental Liaison, Budget, Accounting, Financial Planning, Risk Management, and Administrative Services. The 2001-03 funding level excludes the Office of Information Technology, which is proposed to be a separate program in the 2003-05 biennium. The 2002 Supplemental Budget provided funding for court costs for the department's involvement as a defendant in a federal lawsuit involving highway culverts as related to fish habitat issues.

Funding Summary – dollars in millions

2001-03 Funding Level	27.1
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2003-05 Estimated Carry-Forward Level	27.4
Reduce Administrative Functions	(1.0)
Communications Needs	1.0
Transfer Safety Office Funding	(1.0)
Transfer Funding for the Economics Branch to Financial Planning	1.1
Economics Office Reduction	(0.3)
Transfer Workforce Management	(0.3)
2003-05 Current Law Budget	26.9

Transportation Efficiencies (ESHB 2304)	0.1
2003-05 Referendum 51 Projects	0.1

Total 2003-05 Budget	27.0
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2003-05 Current Law Budget Impact and Objectives

The 2003-05 funding level for Transportation Management and Support is reduced by about ten percent (reduce real dollars five percent and do not provide inflation to maintain purchasing power). However, the program will need to continue to deliver the services it currently provides. The activities each have a role in ensuring that project delivery is timely and accurately accounted for, which will only be heightened if Referendum 51 and the regionalism measures pass.

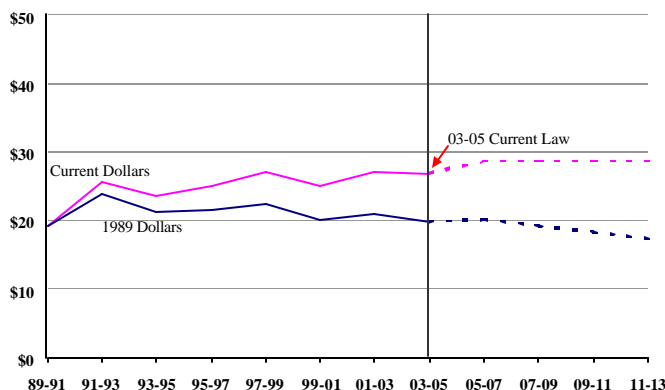
Communications and Internet investments are funded to ensure accountability to the public. Lower priority business and administrative functions are reduced to fund the accountability priority.

Other activities play important roles in project delivery and will be challenged with addressing leadership and management of the organization; civil service reform; developing employee recruitment and apprenticeship programs; supporting financing activities attendant to bonding and planning for new projects; managing increased purchasing activity; and the growing risk management issues. In addition, increased risk management activity is needed to reduce continuing growth in self-insurance premiums.

The department proposes to:

- Transfer funding for the regional management and support and the Safety Office to Program Delivery Management and Support.
- Transfer funding for Workforce Management to the highway construction program.
- Transfer funding for the Economics Branch from Transportation Data, Planning and Research to Financial Planning.

Expenditure Trends
(dollars in millions)



Funds are projected to decrease while leadership and management oversight activity will increase as a result of the Governor's Efficiency and Reform Bill, Regional Transportation Investments, and preparing for passage or failure of Referendum 51.

OFFICE OF INFORMATION TECHNOLOGY

2001-03 Budget in Force

The 2001-03 funding level reflects the establishment of the Office of Information Technology as a separate program in the 2003-05 biennium.

Funding Summary – dollars in millions

2001-03 Funding Level	69.3
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2003-05 Estimated Carry-Forward Level	69.4
Reduce Administrative Functions	(0.8)
Reduce System Development Funding	(9.7)
Information Technology Initiatives	5.3
Traffic Operations OIT Support Costs	0.7
WSF Labor Collection Workstations	0.1
WSF Ongoing Smart Card Costs	0.5
WSF Technology System Updates	0.5
WSF Technology Infrastructure	0.3
WSF OIT Support Costs	0.1
Program Structure Change - Facilities Lease and Operation	(0.8)
2003-05 Current Law Budget	65.6

Transportation Efficiencies (ESHB 2304)	0.1
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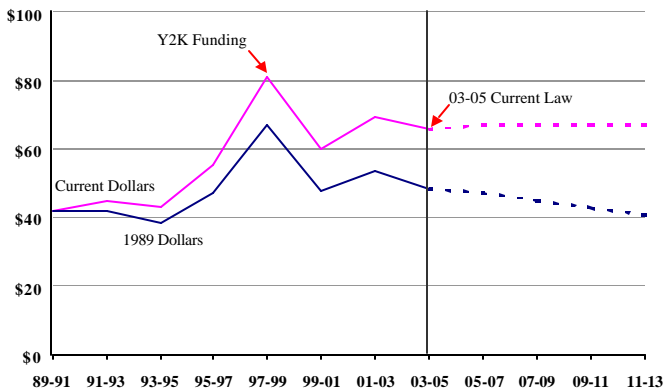
2003-05 Referendum 51 Projects	0.1
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Total 2003-05 Budget	65.7
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2003-05 Current Law Budget Impact and Objectives

The 2003-05 Current Law Budget includes infrastructure upgrades to accommodate growing electronic technologies for communicating with the public and policy-makers. The department is proposing to assess and develop a modernization strategy / feasibility study for ten critical business systems that support WSDOT's statewide highway construction delivery program. This is needed to provide seamless and efficient access to program, project, accounting, and budget information and to resolve existing data accuracy, integration, and reporting problems. Whether or not Referendum 51 passes in November 2002, major strengthening of information technology systems will be required to execute and maintain appropriate controls and accountability.

Expenditure Trends
(dollars in millions)



TRANSPORTATION PLANNING, DATA, & RESEARCH

2001-03 Budget in Force

Planning activities include coordination of long-range plan development, working with local jurisdictions, and administering pass-through planning funds. Data activities include the collection and analysis of information about traffic volumes, vehicle speeds, and traffic accident frequencies, location and severity. Research activities support highway construction, maintenance and safety along with public transportation, pedestrian and bicycle transportation system needs. The 2002 Supplemental Budget eliminated funding for legislation that did not pass during the 2001 session (2ESSB 5749).

Through specific legislative appropriations DOT is required to collect and enter collision reports into the statewide collision reporting system for local roadway planning and safety analysis; and work on freight mobility issues with the transportation research center. If Referendum 51 passes, this program will be challenged to support many new activities under the Governor's Efficiency and Reform Bill. Many of these activities, or related issues, are already being conducted to produce the departmental Gray Notebook and other efforts for performance measurement, accountability and improved reporting to the public.

Funding Summary – dollars in millions

2001-03 Funding Level	44.1*
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2003-05 Estimated Carry-Forward Level	31.9
Functional Class Data Base	(0.1)
GPS Training	(0.2)
Regional Planning/System Planning	(0.7)
Program Administration and Support	(0.2)
Collision Reporting Project	2.7
Transfer Transportation Economic Partnership Funding	1.2
Eliminate Program Support for the Public Private Initiatives Program	(0.2)
Transfer Bicycle and Pedestrian Planning	(0.2)
Transfer Funding for the Economics Branch to Financial Planning	(1.1)
2003-05 Current Law Budget	33.1

* Includes \$9.4 million in fiduciary funds not shown in 2003-05 Estimated CFL.

Transportation Efficiencies (ESHB 2304)	1.1
2003-05 Referendum 51 Projects	1.1

Total 2003-05 Budget	34.2
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2003-05 Current Law Budget Impact and Objectives

The 2003-05 Transportation Planning, Data, Research Program is reduced by about five percent. Minimal reductions will be in data collection and/or planning areas with lower priority activities. The resources previously designated for the Washington Transportation Plan, which is now complete, have already been shifted to Strategic Assessment and Measurement processes. Headquarter planning technical assistance that supports the regions' corridor analysis will be significantly reduced. The regions' corridor planning activities will also be significantly reduced. Reducing corridor planning, which results in scoping and project definition, may delay project delivery. The department will also eliminate the maintenance of the Functional Class (of highways) database and training on Global Positioning System mapping-grade inventory data collection.

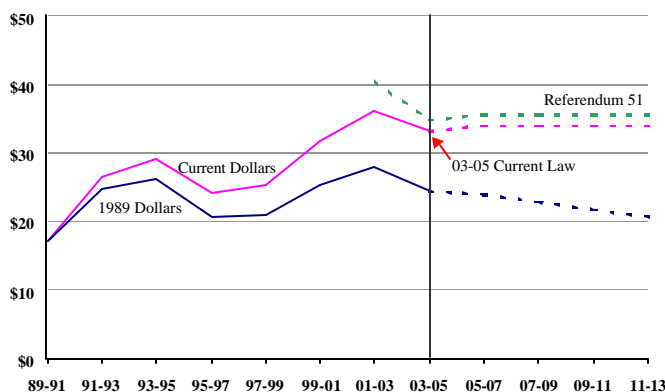
The effect of reductions on the ability to use federal funds will continually be assessed in relation to the department's policies and priorities, and the topic fully covered with the Commission as budget details are proposed.

Planning priority activities will be funded to meet public expectations necessary to advance projects quickly should Referendum 51 be approved. Contingent on passage of Referendum 51, multiple planning and oversight requirements are added. Requirements involve priority programming, analytic tools to measure the benefits and costs across programs (Multimodal Investment Choice Analysis (MICA)) and other performance measurements, modeling tools, and staff support for certification processes. If Referendum 51 does not pass, the department will still be responsible to finalize the research and operational phase of MICA, as well as refinements to the Puget Sound Regional Council's transportation demand-modeling tool in order to evaluate investments.

The department proposes to:

- Transfer the activities from Transportation Economic Partnerships to this program
- Transfer funding for the Economics Branch to Transportation Management and Support

Expenditure Trends
(dollars in millions)



Increased funding levels in 1999-01 and 2001-03 ensure staff resources to review, modify, and complete the department's Washington Transportation Plan. These funding levels are subsequently reduced in ensuing biennia.

CHARGES FROM OTHER AGENCIES

2001-03 Budget in Force

WSDOT's allocated share of statewide general overhead activities includes the Office of the State Auditor, the Department of Personnel, the Department of General Administration, the Secretary of State, and the Office of Minority and Women's Business Enterprises. A major component (about \$32M) is the WSDOT contribution to the State's self-insurance costs. The 2002 Supplemental Budget provided funding for increased costs for tort liability premiums, indemnity, and tort defense.

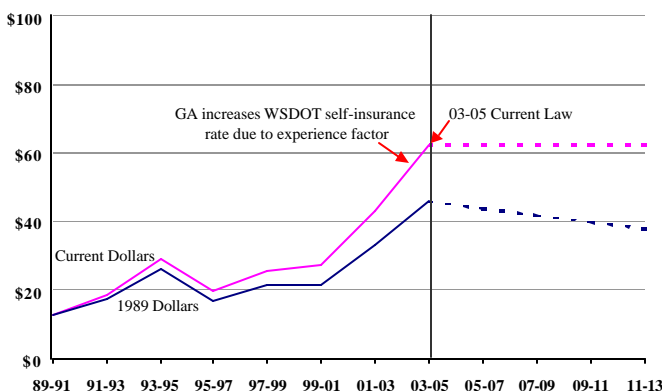
Funding Summary – dollars in millions

2001-03 Funding Level	42.8
2003-05 Estimated Carry-Forward Level	42.8
Capital Project Surcharge	0.5
Self Insurance Liability Premium	18.1
Cost of Services from Governor's Office & OFM	0.5
Collective Bargaining	0.3
2003-05 Current Law Budget	62.2

2003-05 Current Law Budget Impact and Objectives

An increase of \$18.1 million is provided for liability costs as directed by the Office of Financial Management. Highway system historical loss experience was driven significantly upward by a number of lawsuits with extremely high liabilities. Effective risk management will be in place to control future highway premiums and marine liability reimbursements. Additional funding is provided for the capital project surcharge and new charges for Office of Financial Management services and collective bargaining. Although the department is working actively to constrain services and associated charges from other agencies, the department is limited in its ability to control many external charges.

Expenditure Trends (dollars in millions)



Risk management costs have increased and are projected to increase in future biennia.

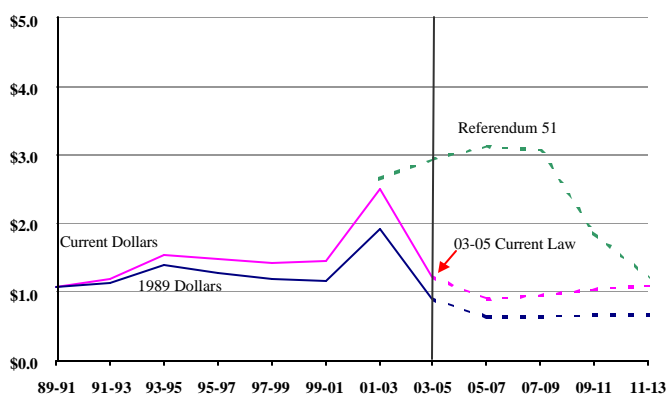
Capital Program Detail

Capital Programs Overview

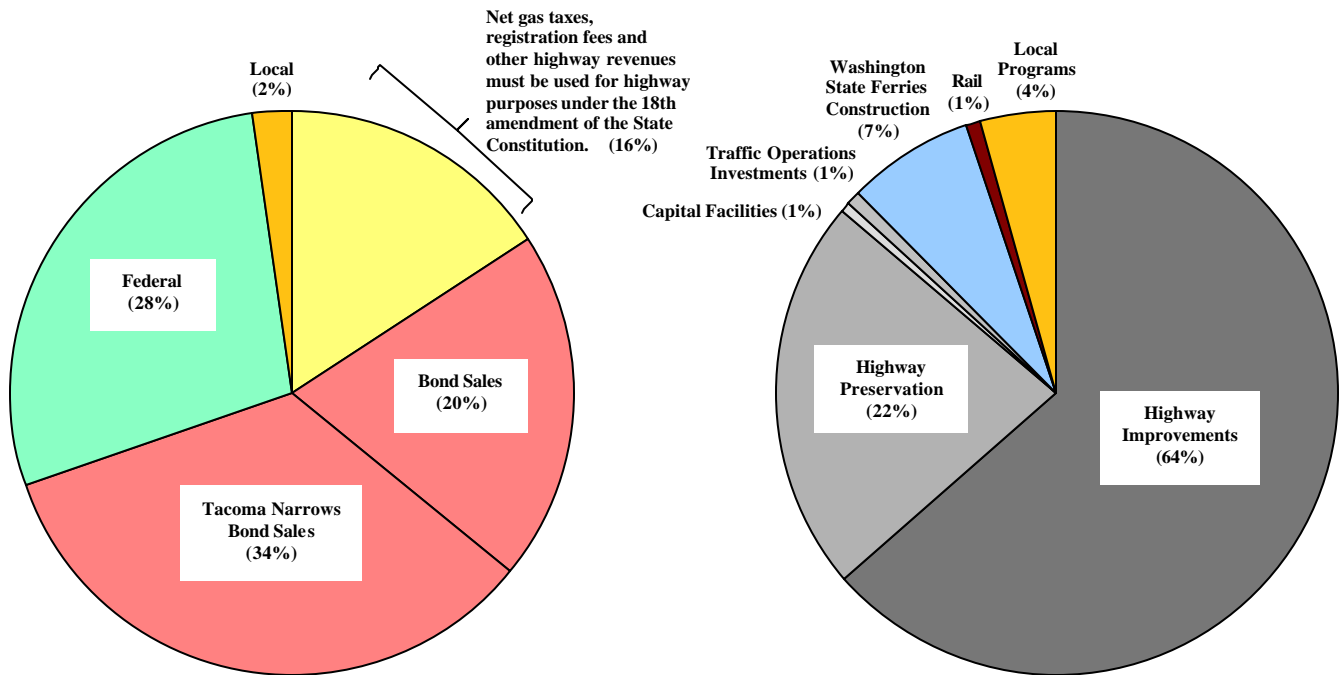
The 2003-05 Current Law Capital Budget allocates resources primarily to the programs and activities that will preserve Washington State's existing system. The Current Law Budget was developed with the following assumptions:

- Construction work currently in progress is funded as the first priority.
- Traffic Operations is held to its 2001-03 funding level for the 2003-05 biennium.
- Flexible state funding for Rail is held to the 2001-03 level.
- Local Programs is held to funding for the State Infrastructure Bank.
- The Ferry Construction program is funded for necessary preservation projects only with a small contingency for emergency repairs.

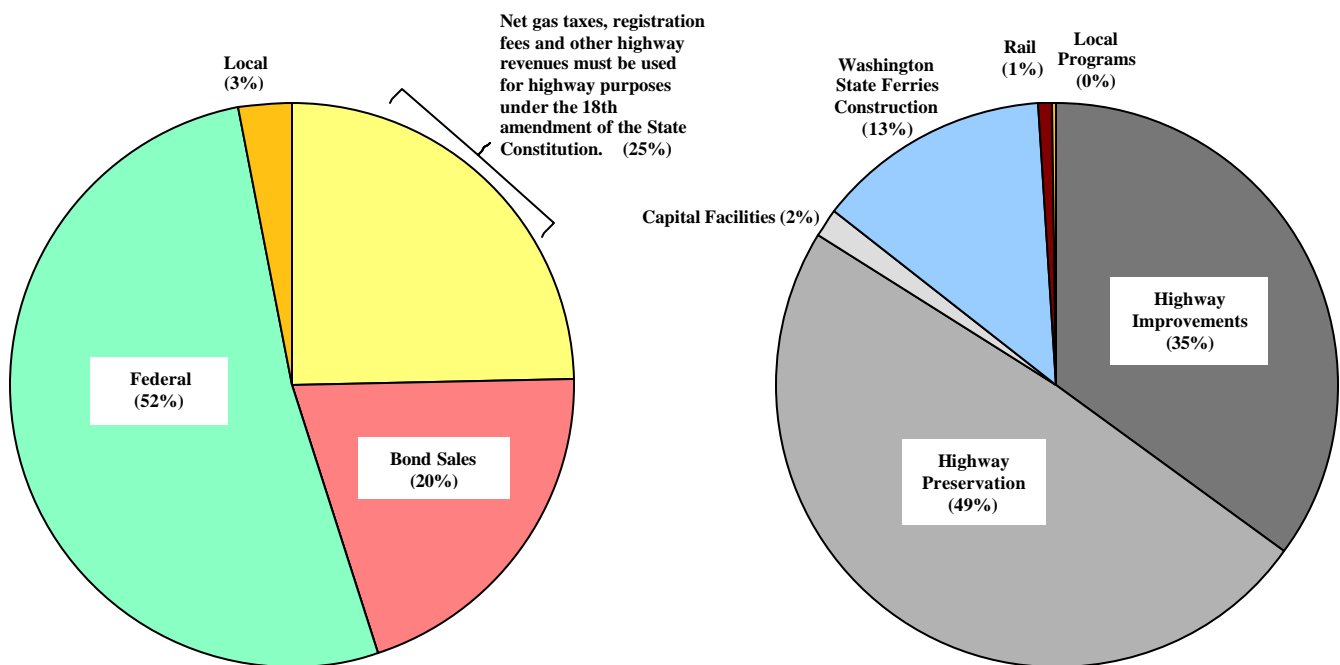
Expenditure Trends
(dollars in billions)



2001-03 CAPITAL FUND SOURCES AND USES



2003-05 CURRENT LAW CAPITAL FUND SOURCES AND USES



CAPITAL BUDGET

Dollars in millions

	2001-03 Budget Now in Force*	2003-05 Current Law Proposed Budget	2003-05 Referendum 51 Budget Adjustments	2003-05 Referendum 51 Proposed Budget
Highways				
Capital Facilities	13.0	20.0	-	20.0
Highway Improvements	739.6	424.2	1,202.9	1,627.1
Tacoma Narrows Bridge	846.3	-	-	-
Highway Preservation	557.7	595.5	2.4	597.9
Traffic Operations	24.2	-	-	-
Highways total	2,180.8	1,039.7	1,205.3	2,245.0
Ferries				
Ferries Construction	177.4	161.0	48.9	209.9
Rail				
Rail	21.4	10.7	372.6	383.3
Transportation Partnerships				
Transportation Economic Partnerships	1.4	-	-	-
Local Programs	111.3	2.3	97.5	99.8
Total	2,492.3	1,213.7	1,724.3	2,938.0

* 2001-03 Budget Now in Force includes 2001-03 Original Enacted Transportation Budget plus 2002 Supplemental Transportation Budget Changes.

** 2001-03 Budget Now in Force for Local Programs also includes \$17.7M for Columbia River Dredging from the 2002 Capital Budget (Omnibus).

CAPITAL FACILITIES

2001-03 Budget in Force

Capital Facilities includes capital improvements to the Department's buildings and other facilities.

Funding Summary – dollars in millions

2001-03 Budget Now In Force (Appropriated)	13.0
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Work in Progress

Euclid Avenue Light Industrial, Chelan	4.2
Vancouver Complex (certification of participation payment)	5.7
Seattle Maintenance Facility (Spokane Street)	4.6
Pomeroy Section Maintenance Facility, Garfield Co.	1.0
Sand Sheds, Radio Systems, Minor Projects, and Staff Support	2.5

Design Starts

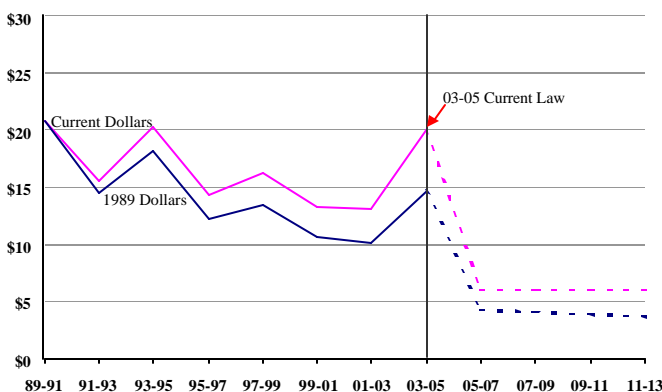
Ephrata, Tri-Cities, and Vancouver Designs	2.0
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2003-05 Current Law Budget	20.0
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2003-05 Current Law Budget Impact and Objectives

The Current Law Budget includes funding to complete work in progress on the Wenatchee, Spokane Street Maintenance facility in Seattle, and Pomeroy maintenance facilities. Also funds are provided to complete sand sheds, enhance radio communications, complete minor region projects, and make the final debt service payment on the Vancouver Southwest Region Office. Funding will allow design starts on the Ephrata, Tri-Cities, and Vancouver maintenance facility projects. Funding is not included for site acquisition for the new Olympic Region Support Complex, currently in final site selection.

Expenditure Trends (dollars in millions)



Funding to provide adequate facilities is decreasing.

Strategies to replace or renovate facilities may need to be modified, thereby increasing “short term rehabilitation fixes” which are less cost effective than replacement of obsolete facilities.

TRAFFIC OPERATIONS

2001-03 Budget in Force

Traffic Operations' projects improve commercial vehicle operations, traveler information, and safety and congestion relief by applying advanced technology to transportation. Current major projects include traveler information system investments; commercial vehicle information systems and network (CVISN); other commercial vehicle operations investments (US/Canada Border Crossing efficiencies); and federal safety demonstration projects. The department will begin 17 new projects using matching funds from the highway construction program in FY 2003.

Funding Summary – dollars in millions

2001-03 Budget Now In Force (Appropriated)	24.2
ITS/Intermodal Freight Projects - Work in Progress	4.2
CVISN Deployment	2.4
ITS/Intermodal Freight Projects - New Starts	17.4
Transfer Traffic Operations Capital to Highway Improvements	(24.0)
2003-05 Current Law Budget	-

2003-05 Current Law Budget Impact and Objectives

The department will complete 17 ongoing projects, and begin 15-20 new projects, that improve traffic flow, such as traffic and weather information cameras for motorist and media use, electronic freeway entrance equipment to enable traffic signal timing to be automatic in response to traffic flow, traveler information systems and electronic signing for motorist traffic advisory, and the commercial vehicle information system and networks to continue enhancing freight mobility. The department expects to obtain additional federal funding from the nationwide "system security" proposal recently approved by the U.S. Congress. The Current Law Budget for state funds (\$12 M) may limit the ability to provide the necessary match for all federal funding for the proposed projects.

The department proposes to transfer these activities to the Highway Improvement program in the 2003-05 biennium.

RAIL

2001-03 Budget in Force

State investment in the capital components of the passenger rail program includes track improvements and acquisition of passenger train equipment. This program also provides capital grants for light density freight rail systems and is responsible for the implementation of the Washington Fruit Express. The 2002 Supplemental Budget reduces funding to meet the projected funding shortfalls. Funding is eliminated for the Yelm freight capital project, which is not expected to advance this biennium.

Funding Summary – dollars in millions

2001-03 Budget Now In Force (Appropriated)	21.4
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Intercity Rail Passenger Capital Improvements	4.5
Freight Rail Assistance Capital Improvements	4.0
Washington Produce/Fruit Express - Lease Account	2.2
2003-05 Current Law Budget	10.7

Statewide Intercity Rail Passenger Program	342.2
Freight Rail Assistance	28.1
Washington Produce/Fruit Express	2.3
2003-05 Referendum 51 Projects	372.6

Total 2003-05 Budget	383.3
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2003-05 Current Law Budget Impact and Objectives

Freight Rail - \$4.0M would be provided for freight rail investment that enhances economic development, preserves and expands rail activities (particularly in rural areas), and further develops relationships between the department and local, regional, and statewide entities.

The Current Law Budget also includes \$2.2M in the 2003-05 biennium and \$1.9M in subsequent biennia for the Washington Fruit/Produce Express Lease Account. The sublease payments for the use of refrigerated railcars are deposited in this account. Expenditures from this account would be for WSDOT's lease payments for the railcars.

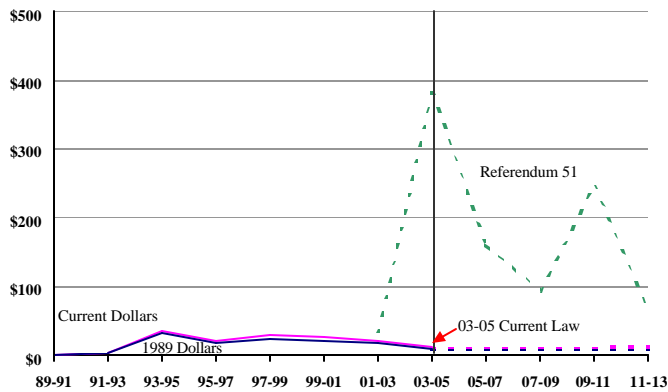
Rail Passenger - The remainder of the available funding in the Current Law Budget will provide for projects to keep the track in condition to maintain existing travel times for Amtrak Cascades.

The Current Law Budget includes \$0.6M in the 2003-05 biennium and \$0.7M in subsequent biennia for federal funds under the Grade Crossing Hazard Elimination Program of TEA 21. These funds can only be used for grade-crossing treatments in the Amtrak Cascades corridor.

2003-05 Referendum 51 Budget

Referendum 51 provides funding for additional capital investments in the rail passenger infrastructure, and provides grants and loans for the preservation of freight rail service and rehabilitation of light density rail lines. This includes federal funds based on the assumption that federal legislation will be enacted to increase support for intercity passenger rail investments. It also provides funding for construction of “truck to rail” transload sites for the Washington Produce/Fruit Express service.

Expenditure Trends (dollars in millions)



Plans to continue expanding the program were dramatically impacted by the loss of the motor vehicle excise tax.

WASHINGTON STATE FERRIES CONSTRUCTION

2001-03 Budget in Force

WSDOT makes capital investments in the ferry system through the WSF Construction Program. The program preserves existing and builds new ferry terminals and vessels. It contains three major activity categories: terminals, vessels, and emergency repairs. WSF's infrastructure includes 29 vessels, 20 terminals and the Eagle Harbor Maintenance Facility. Preservation contracts will be completed at the Clinton, Anacortes, Southworth, Bainbridge Island, Eagle Harbor, Fauntleroy, Seattle, and Kingston terminals, and vessel preservation will continue throughout the fleet. A used passenger-only ferry will be purchased and two older passenger ferries will be sold. The 2002 Supplemental Budget reduced funding by \$10 million to meet funding shortfalls. The ferry system will defer activities on the MV Elwha, the Issaquah class vessels, and the Port Townsend terminal to the 2003-05 biennium.

Proceeds from the sale of the MV Kalama and MV Skagit passenger ferries are assumed to partially offset the purchase or lease-purchase of one passenger ferry. The department shall provide staff support to a legislative oversight committee that will produce a study of the Eagle Harbor maintenance facility by December 10, 2002.

Funding Summary – dollars in millions

2001-03 Budget Now In Force (Appropriated)	177.4
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Emergency Repairs	5.0
Terminal Construction	71.0
Vessel Construction Activities	85.0
2003-05 Current Law Budget	161.0

Four Replacement Auto-Passenger Ferries	9.9
Catch-up Preservation of Ferry Infrastructure	17.6
Mukilteo Multi-modal Ferry Terminal	11.7
Anacortes Multi-modal Ferry Terminal	2.1
Seattle Ferry Terminal Pier 48 Acquisition	1.9
Expanded Passenger-only Ferry Service	4.6
Edmonds Crossing Multi-modal Terminal	1.1
2003-05 Referendum 51 Projects	48.9

Total 2003-05 Budget	209.9
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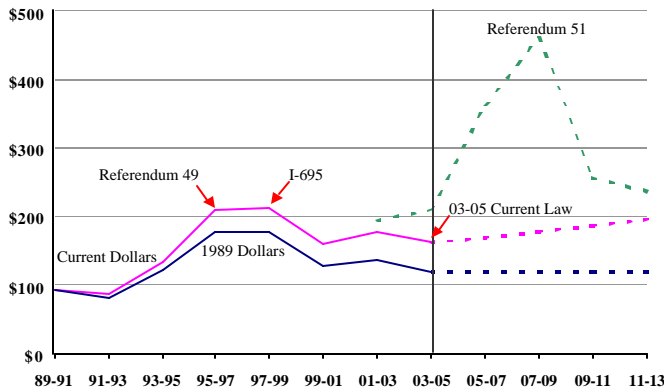
2003-05 Current Law Budget Impact and Objective

The proposed current law budget for 2003-05 includes \$5 million for emergency repairs, \$71 million for terminal construction and \$85 million for vessel construction activities. The Joint Task Force on Ferries (JTFF) recommended a preservation funding level of \$196 million per biennium for WSF. Current preservation funding levels fall short of the JTFF recommended levels. Referendum 51 addresses that shortfall and funds \$100 million for preservation activities to reach the JTFF recommended levels for ferry system preservation.

2003-05 Referendum 51 Budget

Referendum 51 will fund several critical capital investments for ferries. Plans include building four auto-passenger ferries to replace aging vessels; construction of multi-modal terminals at Edmonds, Mukilteo, Seattle, and Anacortes ferry terminals; and key infrastructure to expand passenger-only ferry service on Puget Sound.

Expenditure Trends
(dollars in millions)



Ferries have been in a preservation mode since loss of the motor vehicle excise tax.

TRANSPORTATION ECONOMIC PARTNERSHIPS

2001-03 Budget in Force

All technical and project related efforts to implement the state's public private initiatives are included in the program.

Funding Summary – dollars in millions

2001-03 Budget Now In Force (Appropriated)	1.4
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2003-05 Current Law Budget	-
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2003-05 Current Law Budget Impact and Objectives

The Tacoma Narrows Bridge Project is in progress and WSDOT's role in administering the project is now placed in Highway Improvements. Funds for future Public Private Initiatives projects are eliminated.

LOCAL PROGRAMS

2001-03 Budget in Force

Local Programs distributes federal funds to local agencies for over 1,500 transportation projects. Local Programs also includes state funding for local agency grant programs. Projects include city fish passage projects, school safety projects, pavement preservation, Columbia River dredging, and various congestion relief projects. In addition, the freight mobility projects selected by the Freight Mobility Strategic Investment Board are included in the Local Programs budget. The 2002 Supplemental Budget transferred funding for one Traffic Safety Near School project on the state highway system to the Improvement Program. Also, funding is adjusted to compensate for the higher than expected expenditures in the previous biennium. Other legislative requirements and/or provisos included in the original and supplemental budget and in the state's capital budget are as follows:

- Columbia River Dredging – Funds first and second phases of the dredging project in coordination with the State of Oregon.
- Grant Programs/Projects – Funds grants for small city pavement preservation and traffic and pedestrian safety improvements near schools.
- Transfer ability - Allows state and federal fund transfers between Local Program and Highway Construction to manage projects more efficiently, with a requirement to report on any activity by December 1, 2002.

Funding Summary – dollars in millions

2001-03 Budget Now In Force (Appropriated)	111.3
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State Infrastructure Bank	1.8
High Cost Bridge Inspection	0.5
2003-05 Current Law Budget	2.3

Freight Mobility	82.5
I-5 to SR 7 (Cross Base Highway)	1.0
Main Street Pavement Program	5.0
School Safety Program	3.0
CERB-Rural Economic Vitality	6.0
2003-05 Referendum 51 Projects	97.5

Total 2003-05 Budget	99.8
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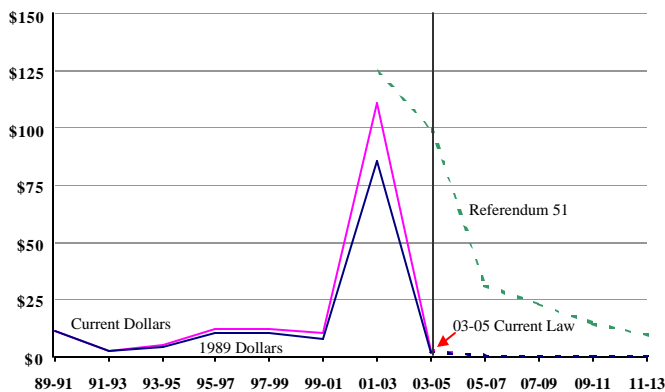
2003-05 Current Law Budget Impact and Objectives

The Current Law Budget is earmarked for the State Infrastructure Bank and state funds to match federal funding for bridge inspections for local agencies. However, the legislature may provide funding to continue pavement preservation, school safety, and local freight projects at the ten-year plan level.

2003-05 Referendum 51 Budget

Referendum 51 will provide funding for a variety of freight mobility, pavement, school safety, and rural economic projects. The freight mobility funding will be provided for 21 local freight projects to optimize freight mobility by reducing barriers on Washington freight corridors. The selected projects will lessen the impact of the movement of freight on local communities. The Main Street Pavement Program will provide funding to cities with a population fewer than 10,000 with the goal of maintaining city streets with pavement condition ratings between 60 and 100. The School Safety Program will provide funds for traffic and pedestrian safety improvements near schools. The Rural Economic Vitality Program will fund grants for transportation capital investments that benefit economic development in rural areas, limited to cities with a population of 10,000 or less.

Expenditure Trends
(dollars in millions)



HIGHWAY CONSTRUCTION

2001-03 Budget in Force – Improvements

Highway Improvements provides funding for projects that increase a highway's capacity to move more vehicles, correct highway safety deficiencies, improve the movement of freight and goods, and reduce environmental impacts resulting from highway construction projects. Approximately \$800 million was added in the 2002 Supplemental Budget for the Tacoma Narrows Bridge project and funding for other projects was reduced approximately \$59.6 million. The 2002 Supplemental Budget reduction, combined with cost increases for projects under construction, necessitated deferral of numerous other projects.

2001-03 Budget in Force - Preservation

Highway Preservation funding is provided to preserve the structural integrity of the state highway system. Projects for capital investment in the existing highway system include preservation or rehabilitation of roadway pavements, bridges, and other structures and facilities. For the 2001-2003 biennium, funding is provided for asphalt pavements to be restored at the optimum rate, but does not provide for "catch up" of the paving backlog. Funding for concrete pavements is minimal, providing only for spot repair of the worst problems.

Funding Summary – dollars in millions

2001-03 Budget Now In Force (Appropriated)	1,585.9
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2003-05 Current Law Budget	424.2
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2003-05 Referendum 51 Projects	1,202.9
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Total 2003-05 Budget	1,627.1
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Funding Summary – dollars in millions

2001-03 Budget Now In Force (Appropriated)	557.7
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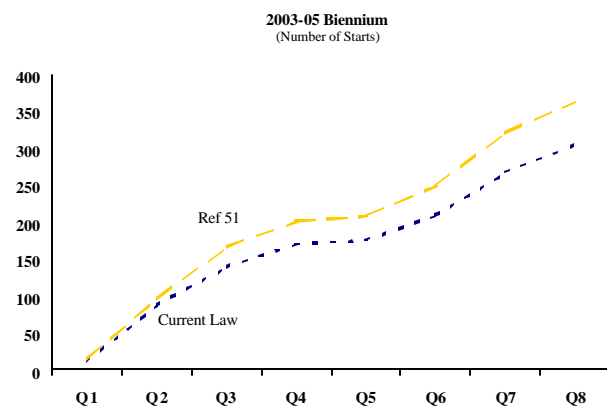
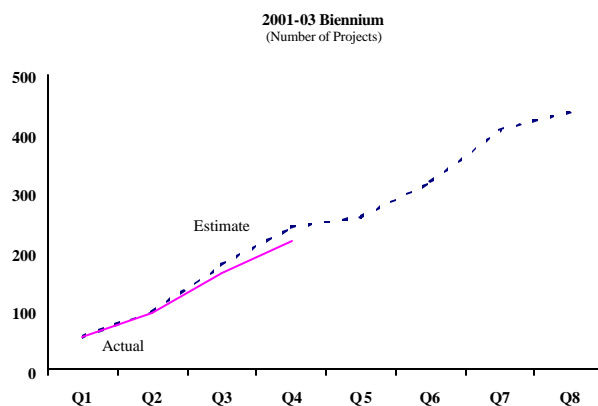
2003-05 Current Law Budget	595.5
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2003-05 Referendum 51 Projects	2.4
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Total 2003-05 Budget	597.9
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Performance Measures

Number of highway construction projects that meet the scheduled advertising date



2003-05 Current Law Budget Impact and Objectives

Work in progress from the 2001-03 biennium is 65 percent of the available 2003-2005 funding for Highway Construction programs, leaving only approximately \$300 million to fund new project starts and support activities. This high percentage of work in progress is the result of a decline in the size of these programs in recent biennia. This has limited funding to undertake new projects. The fact that so much of the available funding is committed to work in progress precludes funding most of the subprograms at the recommended 2003-2022 Highway System Plan level.

Highway Preservation

Funding of \$595.5 million is provided for Preservation subprograms as follows:

- Roadway Preservation \$255.9 million
- Structures Preservation \$271.1 million
- Other Facilities Preservation \$ 68.5 million

Due to funding constraints, most Preservation subprograms are funded at less than the Highway System Plan level. This low level of investment will result in a backlog of paving, bridge preservation, and other facilities preservation needs that will cost substantially more to preserve or rebuild in future biennia. Details of the Preservation subprograms follow:

Roadway Preservation

The funding level proposed for the Roadway Preservation Program allows funding Bituminous Surface Treatment (BST) at the Highway System plan level of \$21 million, Asphalt Pavement Preservation at 89% (\$220 million) of the Highway System Plan level and Concrete Pavement preservation at 8% (\$15 million) of the Highway System Plan. These investment levels ensure that state BST continues using a lowest lifecycle approach. However this level of funding for Asphalt Pavements results in accumulation of approximately 176 additional past due miles creating an increase in the long-term cost of preserving the state highway system. The low level of investment in Concrete Pavement preservation will result in further increasing the backlog of concrete pavement needs requiring funding in future biennia.

Structure Preservation

The Structure Preservation Program is shown as exceeding the Highway System Plan to accommodate expenditures for replacement of the East-Half of the Hood Canal Bridge. However, other categories in this subprogram are below system plan level. The proposed level of funding for Seismic Retrofit will result in completion of the Seismic Retrofit Program later than the current twenty-year goal. Other bridge preservation and replacement work will be slightly below the system plan level. This will result in creation of a backlog of bridge preservation needs that will require funding in future biennia.

Other Facilities Preservation

The recommendation for Rest Area Preservation is 38% of the Highway System Plan level. For the 2003-05 biennium the priorities are to preserve sewer and water systems and keep rest areas open.

Funding of Major Drainage and Electrical Systems at 35% of the Highway System Plan, Unstable Slopes at 14% of the System Plan, and Weigh Stations at 37% of the System Plan will result in creation of a backlog of preservation needs that will require funding in future biennia.

The department proposes to:

- Transfer funding for Workforce Management from Transportation Management and Support.
- Transfer funding for lease costs to Facilities Maintenance and Operations.

HIGHWAY CONSTRUCTION

Highway Improvements

In addition to the high level of work in progress in the Improvement Program, the department was required to implement a reduction of \$45.7 million as part of the 2002 Supplemental Budget. This shortfall caused numerous improvement projects to be delayed until the 2003-2005 biennium, or to be put on hold indefinitely.

The program for 2003-2005 has been developed with the goals of delivering projects that are ready to construct and maintaining an adequate level of investment in preconstruction activities to ensure delivery of the ongoing program in future biennia.

Funding of \$424.2 million is provided for Improvement subprograms as follows:

- | | |
|---------------------------------------|-----------------|
| • Mobility Improvements | \$245.8 million |
| • Stand-Alone Safety Improvements | \$94.4 million |
| • Economic Initiative Improvements | \$71.6 million |
| • Environmental Retrofit Improvements | \$12.4 million |

Due to funding constraints, all Improvements subprograms are funded below Highway System Plan levels. This low level of investment will result in further delay of needed improvements. Stand-alone safety improvements will be delivered at approximately 40% of the recommended Highway System Plan level, barely satisfying the Federal Highway Administration's requirements. \$30 million will be programmed to begin construction on some deferred 2001-03 Mobility Improvement projects. 50 projects deferred in 2001-2003 are not programmed under this budget, and are on hold indefinitely.

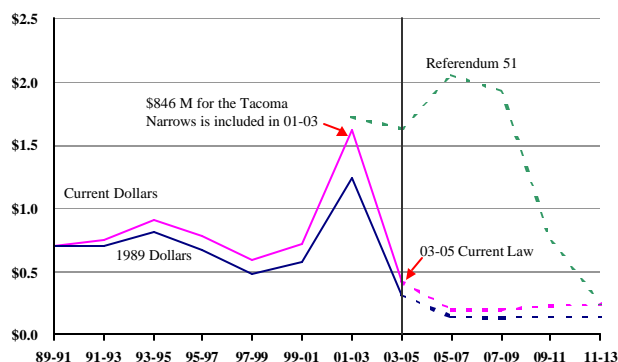
The department proposes to:

- Transfer funding for projects from Traffic Operations – Capital to Highway Improvements.
- Transfer funding for the Environmental Streamlining bill from Program Delivery Management and Support to Highway Improvements.
- Transfer funding for Bicycle and Pedestrian Planning to Local Programs.

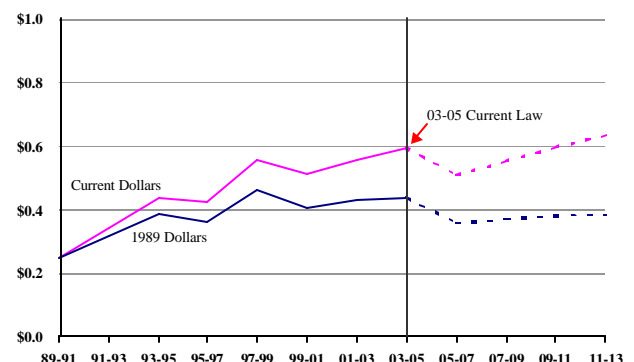
2003-05 Referendum 51 Budget

Referendum 51 funds a variety of highway improvement construction projects specifically appropriated by the 2002 Legislature in ESSB 6347. The projects include major endeavors such as State Routes 18, 167, 509, 395, and 520; Interstate 90 and Interstate 405; and the Alaskan Way Viaduct. Also funded are numerous other mobility and economic initiative projects, HOV, safety, and environmental projects.

Expenditure Trends - Highway Improvements
(dollars in billions)



Expenditure Trends - Highway Preservation
(dollars in billions)



2003-05 Highway Construction Subprogram Levels

Dollars in Thousands

	Enacted 2001-03 Budget	Proposed 2003-05 Budget	2002 Highway System Plan
Preservation Program			
Roadway Preservation (P1)			
Bituminous Surfacing		21,000	20,560
Asphalt Pavement		219,900	245,890
Concrete Pavement		15,000	182,000 *
Roadway Preservation (P1) Subtotal	276,000	255,900	448,450
Structures Preservation (P2)			
Hood Canal East Half Replacement		159,700	53,000
Other Bridge Preservation		41,400	53,000
Bridge Replacement		48,000	41,000
Seismic Retrofit		22,000	28,000
Structures Preservation (P2) Subtotal	163,000	271,100	175,000
Other Facilities Preservation (P3)			
Safety Rest Areas		2,300	6,000
Major Drainage and electrical		11,700	33,000
Unstable Slopes		24,900	173,800
Weigh Stations		4,900	13,300
Preservation Program Support		24,500	36,200
Leases, Program Structure Change		(100)	-
Workforce Program Structure Change		300	-
Other Facilities Preservation (P3) Subtotal	119,000	68,500	262,300
Total Highway Preservation	558,000	595,500	885,750
	Enacted 2001-03 Budget	Proposed 2003-05 Budget	2002 Highway System Plan
Improvements Program			
Mobility Improvement (I1)			
Core HOV System		20,000	325,000
Mobility Improvements		202,000	2,430,000
Bicycle and Pedestrian Planning, Program Structure Change		(200)	-
Q Capital, Program Structure Change		24,000	-
Mobility Improvement (I1) Subtotal	445,000	245,800	2,755,000
Safety Improvement (I2)			
Safety Projects (may or may not include 01-03 deferrals)		94,400	232,000
Safety Improvement (I2) Subtotal	147,000	94,400	232,000
Economic Initiatives (I3)			
SR 18 (Special C)		50,300	27,341
Other Economic Initiatives		21,300	236,000
Economic Initiatives (I3) Subtotal	125,000	71,600	263,341
Environmental Retrofit (I4)			
Stormwater Runoff		1,060	116,500
Fish Barrier Removal		5,200	13,500
Noise Reduction		1,300	5,400
Air Quality		1,740	-
Environmental Streamlining, Program Structure Change		3,100	-
Environmental Retrofit (I4) Subtotal	23,000	12,400	135,400
Total Highway Improvement	740,000	424,200	3,385,741
Total Highway Construction	1,298,000	1,019,700	4,271,491
Current Law Proposal		1,019,700	

* Commission approved a lower level for 03-05, ramping up to this level in 2007-2009

Sources of Funds and Ten-Year Financial Plan

Sources of Funds and Ten-Year Financial Plan

This chapter discusses the source of funds that support the 2003 - 2005 budget submittal.

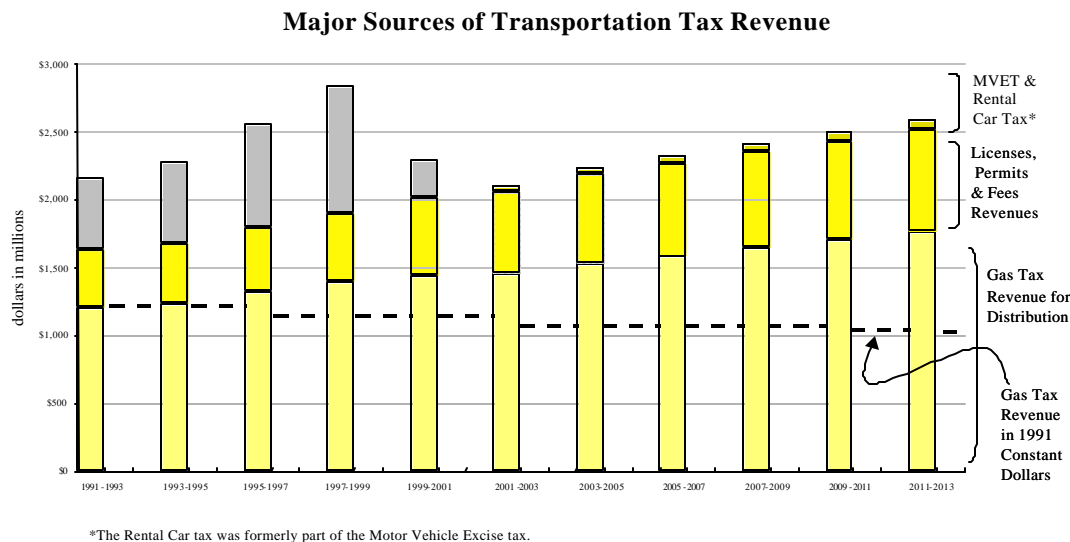
Sources of Funds

The Transportation Commission's budget proposal displayed in earlier chapters and the supporting ten-year financial plan are funded by a variety of transportation revenues and funds. State transportation taxes, ferry fares, local funds, and federal funds are all used to fund transportation projects. State transportation revenues are also committed in part for debt service on long-term bonds; the proceeds of new bond issues will also be used for project funding in the 2003 – 2005 budget.

State Transportation Taxes

Washington funds state transportation spending mostly from the gas tax, and revenues from licenses, permits, and fees. Until January 2000 transportation was also funded by a portion of proceeds from the Motor Vehicle Excise Tax (MVET). Approval of legislation initially proposed in Initiative 695 (in 1999) eliminated the MVET.

A history and forecast of major state transportation taxes is shown in the following chart:

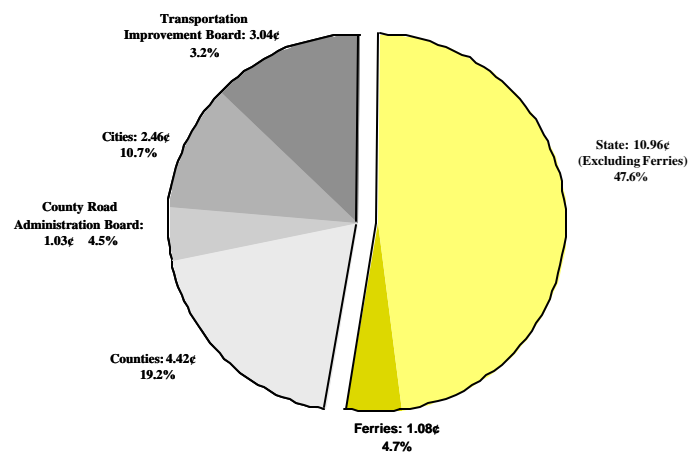


Gas Taxes

The state gas tax, set at 23¢/gallon since 1991, is expected to generate \$1,536 million between July 2003 and June 2005. As shown to the right, the Department of Transportation retains about 12¢ for every 23¢ collected. The remaining portion (almost 11¢) goes to local governments for use on city streets and county roads. Regardless who spends gas tax revenues, the 18th Amendment of the Washington State Constitution requires that proceeds be used for highway purposes. One of the programs considered a highway purpose is the ferry system, with about 5% of total distributions paying for ferry operations and capital improvements.

The revenue chart above also shows how inflation has eroded the purchasing power of total gas tax receipts since its last increase in 1991, despite

23¢ Gas Tax Revenue For Distribution
2003-2005 \$1,536 million



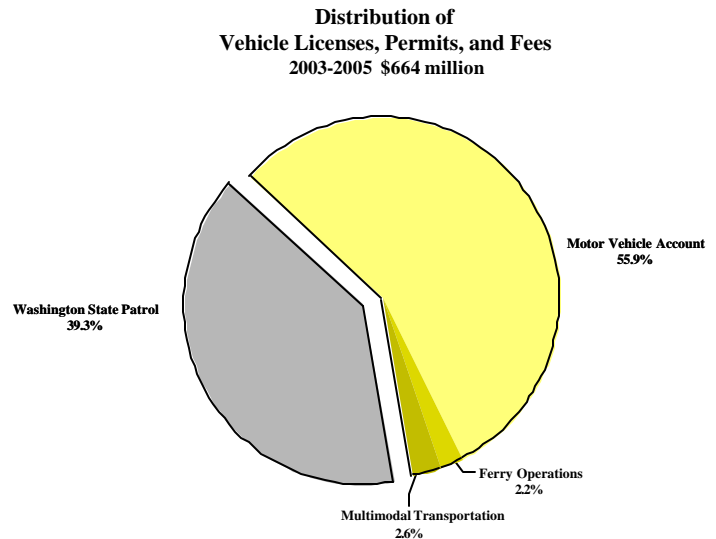
State gas taxes are distributed to the Motor Vehicle Account, Washington State Ferries Capital Construction Account, Puget Sound Ferry Operation Account and the Special Category C Account.

overall increased gasoline sales. The gas tax *rate* has fallen in real dollar terms since 1991 by about 28%. The value of overall gas tax *receipts* has fallen in real dollar terms since 1991 by about 7%. Over this same time period, vehicle miles traveled has increased by 23%.

Licenses, Permits, and Fees

Licenses, permits, and fees (LPF) are the second largest source of funds for transportation. These funds come primarily from new and annual vehicle registration fees and license fees for trucks based on weight. Other fees such as vehicle inspection fees, title fees, and special permits are also included.

In the 2003-05 biennium, licenses, permits, and fees are expected to generate a little over \$660 million. About 39% of these funds are distributed to the Washington State Patrol. Remaining funds go to accounts administered by the Department of Transportation.

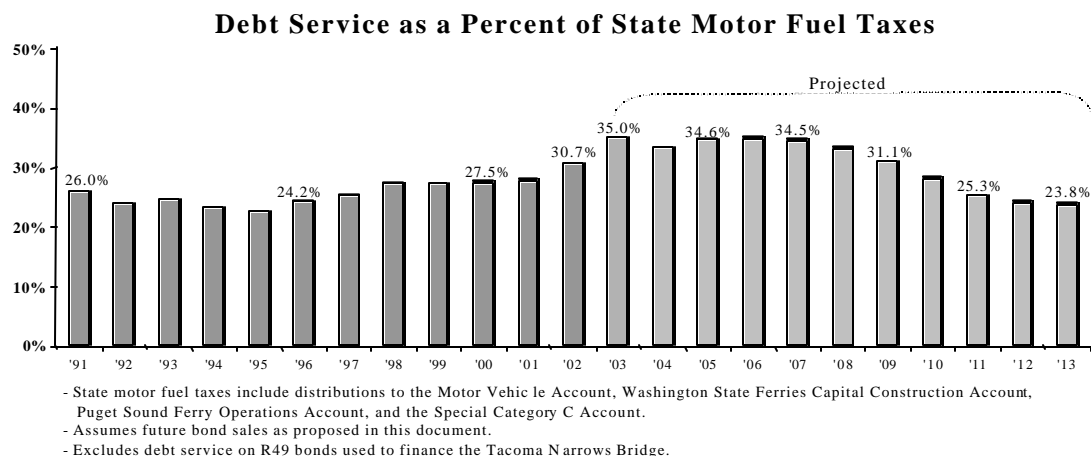


Ferry Fares

Washington State Ferry fares and concession revenues are used for the purposes of the ferry system. These amounts are augmented as indicated above by funds distributed from the gas tax and licenses, permits and fee revenues.

Bond Proceeds

The state has historically issued transportation bonds to generate funds for capital investment in transportation facilities. Additional bonds for this purpose will be issued in 2003-2005. Washington state's transportation bonds are backed by gas tax receipts and the state's full faith and credit. The following chart shows revenues committed to debt service for the period 1991 to 2002 and as projected through 2013, as a percent of the share of the gas tax retained or expected to be retained by the state.



Local Funds

The Department of Transportation will sometimes perform work on the State Highway System at the request of local governments. In most circumstances, local governments reimburse the state for all or a part of the costs. WSDOT also sells various services to local agencies.

Federal Funds

The federal government provides significant financial assistance to Washington State for transportation programs. Most federal assistance is authorized through federal-aid highway acts. A "line of credit" for the state is created that is apportioned, or allocated, by the Federal Highway Administration. The state obtains obligation of these funds based on its spending plans and is reimbursed when it incurs federally-eligible costs. The current federal act, The Transportation Equity Act for the 21st Century (TEA-21), was signed into law in June 1998, and expires September 2003.

For the remainder of the ten-year planning period, it was assumed that the current structure of the federal transportation programs would continue.

Federal cash flow estimates contained in the Current Law Budget proposal are derived from the TEA-21 program authorizations and have been extended for the ten-year planning period. A full description and discussion of the individual federal programs can be found in the latest issue of the Legislative Transportation Committee's *Transportation Resource Manual*.

Washington State TEA-21 Federal Highway Programs							
Estimated Apportionments Federal Fiscal Years 1998-2003							
	Actuals					Projected	TEA-21 Six-
	1998	1999	2000	2001	2002	2003	Year Total
Interstate Maintenance	69	79	81	88	94	84	495
National Highway System	76	89	90	100	106	95	557
Minimum Guarantee Flexible	31	29	20	28	26	28	162
STP Allocation & Adjustments	91	113	118	128	134	120	703
Safety Setaside	10	11	12	13	13	12	71
Enhancements Setaside	10	11	12	13	13	12	71
Areas Over 200,000	27	31	32	35	37	33	196
Areas Under 5,000	11	11	11	11	11	11	67
Areas Under 200,000	11	14	15	17	19	16	92
STP Flexible & Adjustments	24	34	35	38	40	36	207
Bridge	76	104	122	115	110	99	628
Congestion Mitigation/Air Quality	19	22	24	27	25	23	140
Metropolitan Planning	3	4	4	4	4	4	22
Recreational Trails	1	1	1	1	1	1	6
2.0% State Planning and Research	8	9	9	10	10	9	55
Sub-Total Apportionments	375	449	469	500	510	464	2,767
High Priority Projects	22	30	38	40	38	38	204
Total Apportionments	396	479	506	540	547	502	2,971
Discretionary Receipts	0	41	34	45	83		
Total Federal Receipts	396	520	540	584	630		

Projection of Federal Highway Program										
Assumes Continuation of TEA-21 Programs										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Interstate Maintenance	88	94	96	97	99	100	102	103	104	987
National Highway System	97	104	106	108	109	111	112	114	115	1,091
Minimum Guarantee Flexible	36	37	37	37	36	36	36	36	36	362
STP Allocation & Adjustments	125	134	137	139	141	143	145	147	149	1,411
Safety Setaside	13	13	14	14	14	14	14	15	15	141
Enhancements Setaside	13	13	14	14	14	14	14	15	15	141
Areas Over 200,000	35	37	38	38	39	39	40	40	41	388
Areas Under 5,000	11	11	11	11	11	11	11	11	11	111
Areas Under 200,000	17	19	19	20	20	21	21	22	22	204
STP Flexible & Adjustments	38	40	41	42	42	43	43	44	45	423
Bridge	104	111	113	115	117	118	119	121	123	1,164
Congestion Mitigation/Air Quality	25	27	27	27	27	27	27	27	27	270
Metropolitan Planning	4	4	4	4	4	4	4	4	4	42
Recreational Trails	1	1	1	1	1	1	1	1	1	11
2.0% State Planning and Research	10	10	11	11	11	11	11	11	11	108
Sub-Total Apportionments	491	524	531	538	545	551	558	564	571	5,450
High Priority Projects	19	19	19	19	19	19	19	19	19	189
Total Apportionments	510	543	550	557	564	570	577	583	590	5,640

Funding for WSDOT's budget comes from several sources. The major sources of transportation revenue are the gas tax and licenses, permits, and fees. The budget is also funded from ferry fares and concessions, rental car taxes, and miscellaneous revenues, which include interest earnings. Funds also come from bond sales, federal funds, local funds, and remaining cash balances from previous years.

Total Transportation Funds: \$3,627 million

2015-2016 Budget by Source

Source	Amount	Percentage
Gas Taxes*	\$1,628 m	45%
License, Permits, and Fees	\$664 m	18%
Federal Funds to WSDOT	\$658 m	18%
Ferry Fares & Concessions	\$258 m	7%
Bond Sales	\$245 m	7%
Local Funds to WSDOT	\$41 m	1%
Fund transfers from non-WSDOT accounts	\$19 m	1%
Miscellaneous	\$34 m	1%
Rental Car Tax	\$53 m	1%
Previous Biennium	\$28 m	1%

*Gross Gas Tax Receipts

\$1,421 m

Motor Fuel Tax Refunds & Transfers \$79 m (2%)

Debt Service \$275 m (8%)

Balance from Previous Biennium \$28 (1%)

Remaining State Tax Revenues* \$976 m (27%)

Ferry Fares & Concessions \$258 m (7%)

Bond Sales \$245 m (7%)

Federal Funds \$658 m (18%)

Local Funds \$41 m (1%)

Other Agency Expenditures \$83 m (2%)

Distributions to the Washington State Patrol \$260 m (7%)

Distributions to Cities and Counties \$724 m (20%)

\$2,206 m

The pie chart to the left shows the assumed amounts required for refunds, statutory distributions and appropriations to other agencies in 2003-2005. The remaining amount is assumed to be available for the proposed 2003-2005 WSDOT Operating and Capital budgets.

2001 - 2003

Cash Balance	\$ 188 m
State Revenues	\$ 925 m
Ferry Fares & Concessions	\$ 227 m
Total State Funds	\$1,340 m
Bonds	\$ 499 m
Bonds- Tacoma Narrows	\$ 800 m
Federal	\$ 730 m
Local	\$ 60 m

2003 - 2005

Cash Balance	\$ 28 m
State Revenues	\$ 976 m
Ferry Fares & Concessions	\$ 258 m
Total State Funds	\$1,262 m
Bonds	\$ 245 m
Federal	\$ 658 m
Local	\$ 41 m

Operating Budget Reconciliation:

2001-2003 Operating Budget: \$936 m

\$ 898 m
\$ 34 m
\$ 4 m

2003-2005 Operating Budget: \$922 m

\$ 963 m
\$ 25 m
\$ 5 m

Capital Budget Reconciliation:

2001-2003 Capital Budget: \$2,492 m

\$ 441 m
\$ 499 m
\$ 800 m
Tacoma Narrows
\$ 696 m
\$ 56 m

2003-2005 Capital Budget: \$1,214 m

\$ 300 m
\$ 245 m
\$ 633 m
\$ 36 m

Total Difference: \$2,206 m

Note: Operating budget includes estimated compensation adjustments and anticipated receipts for 2001-2003.

Revenue and Fund Risks

It should be recognized that the transportation funds used to support this budget submittal have not yet been collected and that actual collections may not meet current expectations. Some potential risks include:

- Actual receipts of transportation taxes (e.g. gas taxes, and licenses, permits, and fees) may be lower than current predictions.
- Federal receipts could fall short of projections and are subject to a new federal act.
- Ferry riders could be more sensitive to an increase in ferry fares than what is currently predicted, causing a reduction in farebox collections.
- Changes in the law, whether through legislative action or through the initiative process. Specifically, initiative (776) that includes a requirement for license tab fees for light trucks not to exceed \$30, will go before the voters in November 2002.

Ten-Year Plan

A long-term outlook of transportation sources and uses often provides insight into how transportation funds may be used in the future. Future transportation funds are allocated to operating and capital uses in both 2003-05 biennium and through fiscal year 2013 in the ten-year financial plans shown on the following pages. In addition to the funding assumptions discussed earlier, these ten-year plans are also partially funded from transportation accounts not administered by WSDOT. Specifically, the plan assumes \$40 million of funding from the Highway Safety Account, \$48 million from the State Patrol Highway Account, and \$1 million from the general fund over the ten-year period. Finally, budget requests from other agencies have not been incorporated into this submittal. Instead, with few exceptions, it was assumed that other agencies would expend at their 2001-03 levels adjusted for inflation.

**2003-2005 Current Law Operating Budget
and Ten-Year Financial Plan**

dollars in millions



Program Categories	01-03	03-05	05-07	07-09	09-11	11-13
Uses of Funds:						
Highways						
Highway Maintenance and Operations • M	285	292	313	328	345	363
Highway Traffic Operations • Q	33	39	42	44	46	49
Highways Total	317	331	355	372	391	412
Ferries						
Ferries Maintenance & Operations • X	316	326	350	367	385	406
Public Transportation and Rail						
Public Transportation • V	16	13	13	13	13	13
Rail • Y	33	37	37	37	37	37
Public Transportation and Rail Total	49	49	50	50	50	50
Aviation						
Aviation • F	6	5	4	5	5	5
Transportation Partnerships						
Transportation Economic Partnerships • K	1	-	-	-	-	-
Local Programs • Z	9	10	10	10	10	10
Transportation Partnerships Total	11	10	10	10	10	10
Support Services						
Facilities Maintenance & Operations • D	29	32	32	32	32	32
Highway Management Administration & Support • H	36	32	33	33	33	33
Transportation Management & Support • S	27	27	29	29	29	29
Office of Information Technology • C	69	66	67	67	67	67
Transportation Planning, Data, & Research • T	35	33	34	34	34	34
Charges from Other Agencies • U	43	62	62	62	62	62
Support Services Total	239	251	257	257	257	257
Compensation Changes		20				
Total Operating Uses of Funds	936	992	1,026	1,060	1,098	1,140
Sources of Funds:						
State Revenues	671	705	715	725	735	747
Ferry Fares & Concessions	227	258	281	303	329	359
State Revenue Subtotal	898	963	995	1,029	1,065	1,106
Federal	34	25	26	27	28	29
Local	4	5	5	5	5	5
Total Operating Sources of Funds	936	992	1,026	1,060	1,098	1,140
Assumptions relating to the Use of Funds in the 2001-03 Biennium:						
<ul style="list-style-type: none"> Includes 2001-03 compensation increases of \$12.5m and unanticipated receipts of \$5.2m 						
Assumptions relating to the Use of Funds beyond the 2003-05 Biennium:						
<ul style="list-style-type: none"> Excluding the 2003-05 biennium, compensation increases are included in program totals. Highway Maintenance & Operations, Ferry Maintenance & Operations, and Traffic Operations are inflated to keep buying power constant. Programs funded by the multimodal fund cannot exceed available revenues. Programs funded exclusively from multimodal revenues include: <ul style="list-style-type: none"> Operating Programs: Rail, Public Transportation, and Ferry Passenger-only service. Capital Programs: Rail, Passenger-only capital expenditures The aviation plan is balanced to available revenues. The plan for local programs is based on available city/county gas taxes for state supervision and federal funds. Including compensation, Administration and Support programs, Public Transportation, and Rail are held constant at their 2003-05 levels. 						
Assumptions relating to the Source of Funds						
<ul style="list-style-type: none"> Assumes future ferry fare increases of 10% and 7.5% in fiscal years 2003 and 2004, with inflationary increases thereafter. 						

**2003-2005 Current Law Capital Budget
and Ten Year Financial Plan**

dollars in millions



Program Categories	01-03	03-05	05-07	07-09	09-11	11-13
Uses of Funds:						
Highways						
Capital Facilities • D	13	20	6	6	6	6
Highway Improvements • I	740	424	197	198	229	241
Tacoma Narrows Bridge • I	846					
Highway Preservation • P	558	596	508	552	596	633
Traffic Operations • Q	24	-	-	-	-	-
Highways Total	2,181	1,040	710	755	831	880
Ferries						
Ferries Construction • W	177	161	168	177	186	196
Rail						
Rail • Y	21	11	10	11	11	12
Transportation Partnerships						
Transportation Economic Partnerships • K	1	-	-	-	-	-
Local Programs • Z	111	2				
Transportation Partnerships Total	113	2				
Total Capital Uses of Funds	2,492	1,214	889	943	1,028	1,088
Sources of Funds:						
State Revenues	441	300	292	343	414	459
Bond Sales	1,299	245	38	-	-	-
Federal	696	633	550	601	615	629
Local	56	36	9	-	-	-
Total Capital Sources of Funds	2,492	1,214	889	943	1,028	1,088
<i>Commitments beyond 2001-03</i>						
Highway Improvement work-in-progress (I)		278				
Highway Preservation work-in-progress (P)		382				
Highway construction work-in-progress subtotal		660				
Traffic Operations work-in-progress (Q)		4				
Capital Facilities work-in-progress (D)		12				
Buildings & Support COP Repayments (D)		6				
WSF capital construction work-in-progress (W)		56				
Work-In-Progress Total		738				
Assumptions relating to the Use of Funds in the 2001-03 Biennium:						
<ul style="list-style-type: none"> Excludes unanticipated receipts in the 2001-03 biennium. 						
Assumptions relating to the Use of Funds beyond the 2003-05 Biennium:						
<ul style="list-style-type: none"> Work-in-progress is first priority for funding. Traffic Operations is inflated to keep buying power constant. State funding of rail capital is inflated to keep buying power constant. Local Programs is held to appropriated federal funds after the 2003-05 biennium. The ferry capital program (excluding passenger only) will be funded for necessary preservation projects only with a small contingency for emergency repairs. 						

Referendum 51

The legislature adopted Referendum 51 for submission to the voters in the expectation that, if approved, new tax revenues would be leveraged through bonding to provide funds for the capital costs of projects. Once leveraged, the level of expenditures that Referendum 51 can support will depend on a number of variables, movement in any of which would cause a change from the level held in view by the legislature (approximately \$7.7 billion). Variables which influence total projected expenditures include:

- The value of actual receipts of transportation taxes (e.g. actual gas tax collections).

Lower-than-expected receipts would reduce the amount of funds available for transportation uses.
- The interest rate environment at various times in the bond market.

Lower-than-expected interest rates decrease the amount of tax revenue used to pay debt service, allowing funds to be used for other uses.
- The rate at which bond proceeds will be made be available to meet project costs (i.e., construction cash flow).

Borrowing sooner to fund cash flow needs for construction payments increases the amount of tax revenue used to pay debt service in the ten-year period. Accordingly, fewer funds are available for other purposes and fewer funds are expended on a pay-as-you-go basis.

The precision with which these variables can be predicted is limited. Therefore, the exact level of uses which can be supported from Referendum 51 is necessarily somewhat speculative.

Recognizing the urgency of the public need for projects funded by Referendum 51, project expenditures shown in this budget and in the department's *Capital Improvement and Preservation Plan* are based on the earliest reasonable projections of when projects could be completed. WSDOT's cash flow forecasts are therefore somewhat more aggressive than the assumptions that appear to have been used by the legislature (see the third bullet, above). Accordingly, total sources of funds from Referendum 51 are projected to be approximately \$ 7.2 billion.

In the budget presentation, the difference between project uses over ten years at \$ 7.7 billion and project sources over ten years at \$ 7.2 billion has been reconciled by an entry "Debt service, revenue, and cash flow uncertainty". However, and this is a key point, no adjustments have been made to individual project cash flow projections at this time. In actuality, as revenues are collected, projects are built, and money is borrowed to finance construction, the amount of this adjustment will change. These changes will be accommodated within projects as future circumstances permit and require.

The uses of funds provided, all or in part, by Referendum 51 are summarized in the following table:

Referendum 51 Sources and Uses								
• dollars in millions								
Program Categories	Amounts Appropriated in ESSB 6347	Preliminary Expenditure Plan						Total
		01-03	03-05	05-07	07-09	09-11	11-13	
Uses of Funds:								
State Funded Highway Uses - Expended by WSDOT								
Regional Transportation Planning	3	3						3
Transportation Efficiencies	1	1						9
Park and Rides	3		2	2	2	2	2	40
Mobility and Safety Improvements	1,175	101	1,194	1,843	1,733	512	14	5,397
Freight Improvements	8	8	83	17	8			116
Local Grant Programs (WSDOT)	6	5	15	14	14	14	9	71
Ferry Capital Construction	25	10	44	161	278	69	40	601
Highway Uses - Expended by WSDOT	1,222	128	1,345	2,043	2,045	606	69	6,237
State Funded Non-Highway Uses - Expended by WSDOT								
Passenger-Only Ferries	6	6	9	40	18	14	13	99
State Passenger Rail Capital	18	10	78	27	13	42		170
Other Rail Expenditures	10	2	30	15	26	37	21	132
Direct Transit Distributions	20	20	40	90	100	101	99	450
Park and Rides	1	0	6	7	10	11	6	40
Commute Trip Reduction Grants	6	3	14	19	26	22	17	100
Van Pool Expansion	2	0	6	6	10	11	7	40
Rural Mobility Grants	4	1	11	15	20	17	12	75
Paratransit	4	1	11	15	20	17	12	75
Program expenditure reduction needed to match available funds		(28)					28	
Non-Highway Uses - Expended by WSDOT	71	13	204	235	243	273	214	1,181
Federal and Local Uses - Expended by WSDOT								
Federal Passenger Rail Capital*	42		264	107	51	170	48	640
Federal Mobility and Safety Improvements		0	3	10				14
Local Mobility and Safety Improvements		0	8	4				13
Federal and Local Uses - Expended by WSDOT	42	1	276	122	51	170	48	667
Total WSDOT Uses	1,334	142	1,825	2,400	2,339	1,049	331	8,085
Highway Uses - Expended by Other State Agencies and/or Local Governments								
Local Grant Programs (TIB)	10	10	20	20	20	20	20	110
Statutory Gas Tax Distributions to Locals		4	22	22	23	24	26	120
Bond Sale Costs		1	7	13	14	0		35
Debt service on bond proceeds		2	72	258	520	682	686	2,220
Highway Uses - Expended by Others	10	16	121	312	577	727	732	2,484
Total Uses of Funds	1,344	159	1,946	2,712	2,915	1,775	1,062	10,569
Sources of Funds:								
9¢ gas tax increase		49	498	609	632	656	679	3,124
Bond proceeds		92	950	1,675	1,840	43		4,600
30% gross weight surcharge		4	38	47	48	49	51	236
Treasury Deposit Earnings		1	15	20	19	9	3	68
1% sales tax on new and used vehicles		13	168	196	231	272	321	1,202
Sales tax on new construction projects				49	72	21	1	142
Federal Funds for passenger rail			264	107	51	170	48	640
Federal Funds for Mobility and Safety Improvements		0	3	10				14
Local Funds for Mobility and Safety Improvements		0	8	4				13
Unidentified revenue, debt service, or expenditure adjustments					16	555	(40)	531
Total Sources of Funds		159	1,945	2,717	2,910	1,775	1,063	10,570

*Federal funds for passenger rail are pending congressional approval.

Appendix A

Glossary

Appropriation

A legislative authorization to make expenditures and incur obligations for specific purposes from designated resources available or estimated to be available during a specified time period. Only the Legislature can make appropriations in Washington State.

Biennium

A 24-month period extending from July 1 of odd numbered years to June 30 of odd numbered years to which the appropriation legislation applies. For example, the 2003-05 biennium extends from July 1, 2003 to June 30, 2005.

Bond

A debt instrument issued through a formal legal procedure and secured either by the pledge of specific properties or revenues or by the general credit of the state.

Budget

A plan of financial operations embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Carry Forward Level

Current biennium appropriations, plus biennialization of legislatively directed workload and service changes, and deletion of costs that the legislature considered non-recurring.

Current Law Budget (CLB)

As required by state law, the department's proposal, which can be funded within existing and/or reasonably assumed resources.

Decision Package

A document used to express a specific action or policy proposed for implementation in the ensuing biennium that changes the carry forward level.

Fiscal Year

A 12-month period extending from July 1 in one calendar year to June 30 of the next calendar year. For example, fiscal year 2003 is the 12-month period from July 1, 2002 to June 30, 2003.

FTEs

Full Time Equivalent staff. In the department, one FTE equates to approximately 1,771.33 hours of work for fiscal year 2002 and is determined by available hours less holidays and a three-year historical average of vacation and sick leave taken. The factors for conversion are calculated on a monthly basis for regular full-time employees, temporary employees, and for overtime.

Fund

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes. Funds are segregated for the purpose of isolating specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Gas Tax

Also known as the motor fuel tax. Includes taxes on motor vehicle fuel and special fuel. This tax is levied against each gallon of motor fuel.

Highway System Plan

The component of Washington's Transportation Plan that addresses the state's highway system. Included is a comprehensive assessment of the current deficiencies and the conceptual solutions for the state's highway system for the next 20 years.

Maintenance Level

Reflects the cost of mandatory caseload, inflation, and other legally unavoidable costs not contemplated in the current budget.

Motor Vehicle Fund

The fund containing receipts from motor fuel taxes; motor vehicle registration licenses, permits, and fees; and other transportation user fees. May only be used for highway purposes as provided in the 18th Amendment of the State Constitution.

Multimodal Transportation Account

An account established in the 2000 Legislative Session to ensure that viable multimodal transportation projects and programs are available throughout the state. The account was created to address the complexities associated with current funding mechanisms and seeks to create a process that would allow for all transportation programs and projects to compete for limited resources.

Performance Measure

Quantitative indicators of how an agency's programs or services are contributing to the attainment of strategic plan elements.

Referendum 51 Budget

A proposal, contingent on passage of Referendum 51, for additional investments in the transportation system that the department will be charged to deliver in responding to some of the most important transportation needs of the state with added revenue from the sources described in the referendum.

Ten-year Plan

The ten-year plan is the department's plan for providing a multi-year framework for all state investment and advocacy actions, which will be proposed in future agency budget requests.

Subprogram

Identifies major functions or activities within a program.

Washington's Transportation Plan

Washington's Transportation Plan (WTP) is the department's 20-year vision for the state-owned and state-interest modes of transportation.

Appendix B

Operations Transportation Equipment Fund Business Plan

Operations Transportation Equipment Fund

Business Plan

Mission Statement

The mission of the Operations Transportation Equipment Fund (TEF) is to provide the department with job ready, reliable, well maintained and fueled vehicles and equipment; and radio communications; at the lowest possible cost; so that programs may deliver their services to the public in an effective and timely manner.

Services Provided

Within the parameters of RCW 47.08.120, Operations TEF is a non-appropriated, full service vehicle and equipment rental business within the Department of Transportation; organized to support construction and preservation of the state's transportation system.

The program provides a wide variety of rental equipment. Currently there are approximately 11,000 items in inventory. In addition to providing rental units, the program operates 32 vehicle and communications service and repair facilities throughout the state. These facilities are available to other governmental agencies at a case-by-case job fee.

Operations TEF also owns and operates 130 vehicle fuel stations throughout the state that provide direct service to both the Department of Transportation and the State Patrol. These stations are also available to other governmental agencies upon request; and, in fact, about 900,000 gallons are sold annually to other agencies.

Program Objectives and Measurements

Operations TEF's business objectives are in support of the department's strategic goals to better leverage agency funds, and to maximize the use of existing funds. To evaluate its performance in accomplishing its objectives, Operations TEF plans to measure light vehicle maintenance costs, and compare those costs to the number of miles driven – which will result in a cost per mile figure. This measure will be benchmarked against industry organizations to determine if Operations TEF performance is reasonable.

OTEF Financial Plan

Dollars in thousands

<u>August 2, 2002</u>	<u>03-05</u>	<u>05-07</u>	<u>07-09</u>	<u>09-11</u>	<u>11-13</u>
Beginning Cash Balance	1,824	1,494	1,076	1,122	1,000
<u>Operating Expenses:</u>					
- Labor	23,565	23,801	24,040	24,281	24,524
- Fuel	10,416	10,464	10,789	11,206	11,724
- Repair parts	8,389	8,784	9,216	9,674	10,197
- Outside services	3,137	3,065	3,216	3,376	3,558
- Other	3,097	3,239	3,395	3,560	3,748
- Fees to other agencies	796	805	814	824	836
<u>Total Operating Expenses:</u>	49,399	50,158	51,469	52,921	54,587
<u>Equipment Purchasing Expenses:</u>	47,386	49,021	50,139	51,750	53,517
<u>Total Expenses:</u>	96,784	99,180	101,609	104,671	108,103
<u>Revenue:</u>					
- Sundry sales	5,048	5,183	5,324	5,492	5,692
- Equipment sales	4,674	4,783	4,858	4,934	5,012
- Interest income	245	191	165	155	150
- Vanpool income	533	574	609	643	681
- Equipment rent	85,955	88,029	90,700	93,326	96,569
<u>Total Revenue:</u>	96,455	98,761	101,654	104,549	108,104
<u>Ending Cash Balance:</u>	1,494	1,076	1,122	1,000	1,000

Adopted by the OTEF Board of Directors June 11, 2002

Appendix C

Miscellaneous Transportation Programs Account

Miscellaneous Transportation Programs Account

The Miscellaneous Transportation Programs Account was created by the Legislature in 1997 (Chapter 94, Laws of 1997). It was established to account for federal funds that are administered by the department and are passed through to local governments, and for expenditures and reimbursements for services the department provides to other government agencies for which the department receives full reimbursement from those agencies. This is a non-budgeted fund that is exempted from legislative appropriation and Office of Financial Management (OFM) allotment requirements.

Because the fund is non-budgeted and non-appropriated, the department is not required to develop and submit a biennial budget for federal pass through funds or reimbursable services to the Legislature for formal review and approval, or require legislative appropriations for expenditure authority. Exemption from allotment requirements means the department is not required to submit biennial spending plans to OFM. Prior to the 1997-99 biennium, expenditures for both activities were processed through the Motor Vehicle Fund and other transportation funds that are subject to both appropriation and allotment controls.

Although federal pass through funds and reimbursable services that are processed through the Miscellaneous Transportation Programs Account are exempted from legislative budgeting and appropriations requirements, they are subject to internal department budget and expenditure controls. Moreover, all documentation, accounting, and reporting requirements for appropriated funds are applied to the Miscellaneous Transportation Programs Account. The department also is required to submit annual reports to the Legislative Transportation Committee and OFM on the expenditures processed through the Miscellaneous Transportation Programs Account.

Miscellaneous Transportation Programs Account Activities

Activities in the following department programs will continue to be included in the Miscellaneous Transportation Programs Account in the 2003-05 biennium.

Program R — Sales and Services to Others

All activities in this program are included in the Miscellaneous Transportation Programs Account and consist of fully reimbursable services provided to other government agencies and to the public. Included are roadway maintenance work for local governments and a variety of administrative and technical services, and materials and supplies that the department is authorized to provide to local governments and other state agencies.

Program T — Transportation Planning, Data, and Research

The Miscellaneous Transportation Programs Account is used to account for federal funds for Metropolitan Planning Organizations (MPOs) to support their transportation planning activities.

Program V — Public Transportation

The Miscellaneous Transportation Programs Account accounts for federally funded grants from the Federal Transit Administration (FTA) for public and private transit agencies to provide services for rural communities and public transportation access for the elderly and people with disabilities. Not included are FTA or any other grants and related expenditures by the Public Transportation program that require some state fund participation.

Program Z — Local Programs

Off state system projects

Federal funds that are distributed by Local Programs to local governments for road and street construction projects and related transportation projects off the state highway system are processed through the Miscellaneous Transportation Programs Account. Also included is Local Programs work on local projects for which local governments fully reimburse the department.

Local agency investments on the state system

The Miscellaneous Transportation Programs Account is used to account for projects on the state system for local governments that are paid from local or federal funding sources.

Program I — Highway Improvements

The Miscellaneous Transportation Programs Account is used to account for work that is done for Sound Transit on the state highway system and for which the department is fully reimbursed by that agency. Projects include public transit access ramps on the state's freeway HOV system.

Program D – Capital Facilities

When economically advantageous, Capital Facilities program has undertaken facilities projects that are funded by local agencies in exchange for property owned by the department. Costs of constructing these "equivalent value exchange projects" are accounted for in the Miscellaneous Transportation Programs Account.

Ten-year Expenditure Plan

In conjunction with development of the current law budget, the department developed ten-year expenditure plans for the Miscellaneous Transportation Programs Account activities. They are based on estimated federal funds available for distribution by these activities, and projected requests from other agencies for the reimbursable transportation services provided by the department.

Miscellaneous Transportation Programs Account Ten-year Expenditure Plan (Dollars in Millions)

Program	FTEs	Dollars					Ten-year
	2003-05	2003-05	2005-07	2007-09	2009-11	2011-13	Total
I Highway Improvements — Sound Transit	168.0	164.7	122.8	29.5	0.1	0.6	317.7
D Capital Facilities	-	1.7	-	-	-	-	1.7
R Sales and Services to Others	58.0	10.3	10.3	10.3	10.3	10.3	51.5
T Transportation Planning, Data, & Research	-	10.1	10.3	10.6	10.9	11.2	53.1
V Public Transportation	3.3	21.1	16.0	17.8	19.3	21.1	95.3
Z Local Programs	62.0	300.0	300.0	300.0	300.0	300.0	1,500.0
Total	291.3	507.8	459.5	368.2	340.7	343.2	2,019.3

Appendix D

Strategic Plan

Strategic Plan

Introduction

The Washington State Department of Transportation continues to meet its commitment to submit a strategic plan to the Office of Financial Management. Traditionally, WSDOT has submitted operating guidelines and guiding principles that have reflected a relatively stable economic, fiscal and political environment.

Driven by common sense business practices and continuing interest on behalf of the legislature and the governor, the department continues to strive toward national leadership in accountability, performance measurement, and innovative program delivery. Its leadership team, working with the Washington Transportation Commission, elected officials at every level of government, and citizens of the state, is focusing the organization on key program missions for the future while continuing to ensure that the current transportation system is preserved and maintained.

Authority Statement

The Department of Transportation was created by the Legislation in 1977. The enabling legislation for the department is contained in Chapter 47, Revised Code of Washington.

RCW 47.01.011, Legislative declaration: The legislature hereby recognizes the following imperative needs within the state: To create a state-wide transportation development plan which identifies present status and sets goals for the future; to coordinate transportation modes; to promote and protect land use programs required in local, state and federal law; to coordinate transportation with the economic development of the state; to supply a broad framework in which regional, metropolitan, and local transportation needs can be related; to facilitate the supply of federal and state aid to those areas which will most benefit the state as a whole; to provide for public involvement in the transportation planning and development process; to administer programs within the jurisdiction of this title relating to the safety of the state's transportation systems; and to coordinate and implement national transportation policy with the state transportation planning program.

The legislature finds and declares that placing all elements of transportation in a single department is fully consistent with and shall in no way impair the use of moneys in the motor vehicle fund exclusively for highway purposes.

Through this chapter, a unified department of transportation is created. To the jurisdiction of this department will be transferred the present powers, duties, and functions of the department of highways, the highway commission, the toll bridge authority, the aeronautics commission, and the canal commission, and the transportation related powers, duties, and functions of the planning and community affairs agency.

Mission Statement

“The Washington State Department of Transportation keeps people and business moving by operating and improving the state’s transportation systems vital to our taxpayers and communities.”

Management Principles

Leadership. We are committed that WSDOT provide strategic vision and leadership for our state’s transportation needs.

Delivery and Accountability. We shall manage the resources taxpayers and the legislature entrusted to us for the highest possible return on value. We shall be disciplined in our use of both time and money. We shall account for our achievements, our shortcomings and our challenges to citizens, to elected officials, and to other public agencies.

Business Practices. We shall encourage progressive business management practices in delivering cost effective and efficient transportation services. Our quest for short-term cost savings and business process improvement shall be balanced by the long term need to preserve and improve the state’s transportation systems through sound fiscal planning and asset management.

Safety. Concern for the health and safety of the people who use and work on our transportation facilities shall be a paramount value in every area of our business.

Environmental Responsibility. Our work shall incorporate the principles of environmental protection and stewardship into the day-to-day operations of the department as well as the on-going development of the state’s transportation facilities.

Excellence and Integrity. Our employees shall work in a culture of workplace excellence and diversity that encourages creativity and personal responsibility, values teamwork, and always respects the contributions of one another and of those with whom we do business. We shall adhere to the highest standards of courtesy, integrity and ethical conduct. We shall encourage and recognize our employees’ professionalism and their career growth.

Communications. We shall stress the importance of sharing clear, concise and timely information with WSDOT employees, elected officials, community leaders, businesses, citizens and taxpayers, others in the transportation community, with the press and other media. We shall strive for the effectiveness of all our employees in meeting WSDOT’s communications standards.

Our Strategic Plan and an Uncertain Environment

The Commission recognizes that both the current law and Referendum 51 proposals may be subject to significant modifications in coming months. Pending resolution of these issues, the Commission believes the current law proposal provides the most strategic and effective allocation of available resources to maintain and preserve the existing transportation system. The Referendum 51 proposal provides an investment plan that will achieve important progress in addressing a significant backlog of transportation needs.

Results of Referendum 51 will not be known before November. This creates the confusing but unavoidable circumstances that the Department is preparing for the 2003-05 biennium with uncertain prospects for the revenue levels that will be available to support critical transportation programs. This also will have profound effects on the continuing development and implementation of the agency's strategic plan.

Regardless of the results of the November election, a new component of our strategic plan is the presentation of WSDOT's budget in separate Operating and Capital Programs. This clear delineation between fundamental expenditure types is one of the many efforts to communicate the projects and services that are being provided with the funding received by the department.

The Transportation Commission's Department of Transportation 2003-05 Budget as transmitted to the Governor and the Legislature consists of two major components:

- (3) The Current Law Budget - As required by state law, the Commission's current law proposal that can be funded within existing and/or reasonably assumed resources.
- (4) The Referendum 51 Budget – A proposal, contingent on passage of Referendum 51, for additional investments in the transportation system that the department will be charged to deliver in responding to some of the most important transportation needs of the state with added revenue from the sources described in the referendum.

The proposed budget takes into account the fact that revenue resources, on a current basis and also with respect to program area, cannot be augmented with Referendum 51 revenues, if approved by the voters, and are inadequate to sustain current levels of operations and the maintenance and preservation of Washington State's existing systems. Available resources also continue to be eroded by inflation, yet the public continues to expect additional transportation operations and investments to meet the needs of the economy and a growing population.

In developing the current law proposal, the Commission and department have carefully evaluated each of the department's programs, and determined that the strategic priority, as in the past, must be given to maintaining, preserving, and operating the existing system. Available resources, however, do not even provide adequate funding to sustain the current levels of service for all transportation system maintenance and preservation. Safety improvements are included, but additional improvements are severely limited until such time as additional revenue is available.

Our strategic plan is driven in large measure from the increased revenue provided by passage of Referendum 49 in 1998 and subsequent funding reductions from elimination of the motor vehicle excise tax. Another complexity of the fiscal environment is the continuing expectation, subject to key uncertainties, that assumes enhancement recommendations made by the Blue Ribbon Commission on Transportation in 2000, will soon be implemented.

The 2001-03 Transportation Budget (3ESSB 5327) included administrative reductions as well as no funding for inflation except for the Maintenance and Ferries Programs. This was followed by the 2002 Supplemental Transportation Budget (ESHB 2451) that included an authorization tied to toll-financed bonding of over \$800 million for the Tacoma Narrows Bridge.

Also passed in the 2002 Legislation Session was a revenue bill (ESHB 2969) with a referendum clause and a bill (ESSB 6347) specifically referencing individual construction projects. ESHB 2969 presents to the voters, as Referendum 51, the proposal to raise fees and taxes to fund state and local transportation projects, generally following the direction proposed by the Blue Ribbon Commission. The fee and tax increases are intended to raise approximately \$7.8 billion to improve highway capacity, public transportation, and passenger and freight rail.

Authority to spend funds generated by Referendum 51 is specifically identified by the 2002 Legislature in ESSB 6347. This bill provides individual appropriations for specific projects and appropriations are linked to project phases. In addition to the appropriations, future costs are shown for a ten-year planning period. With the approval of the Governor's budget office, the department is allowed some flexibility to transfer funds from one project to another if there are excess funds in a project. These proposals, while an important beginning, are generally recognized not to include everything that needs to be accomplished to achieve the state's transportation goals, but would be the foundation for the Commission and agency's strategic plan for the next ten years.

With passage of Referendum 51, the department would be undertaking potentially the largest infrastructure-building program in the nation. A project delivery endeavor of this scope and size would present large challenges to the department, to designers and contractors, to communities in which these projects will be built, and to users of the transportation system who will be inconvenienced by construction. Many of the projects also depend on multiple funding sources not wholly made up by department resources if Referendum 51 should pass. Also, the referendum includes funding for specific operating expenditures for activities such as operating the passenger only ferries and enhancing the public transportation and local programs. However, the referendum does not provide additional funding for any other operating services or activities, so the department will be challenged to meet its other program objectives with increasingly constrained financial resources.

Appendix E

FTE Summary

OPERATING BUDGET

FTEs

	2001-03 Budget Now in Force*	2003-05 Current Law Proposed Budget	2003-05 Referendum 51 Proposed Budget
Highways			
Highway Maintenance and Operations	1,490.5	1,520.5	1,520.5
Traffic Operations	199.9	245.9	245.9
Highways total	1,690.4	1,766.4	1,766.4
Ferries			
Ferries Maintenance and Operations	1,689.4	1,700.9	1,717.9
Public Transportation and Rail			
Public Transportation	27.2	25.2	38.7
Rail	11.9	11.9	11.9
Public Transportation and Rail total	39.1	37.1	50.6
Aviation			
Aviation	11.0	11.0	11.0
Transportation Partnerships			
Transportation Economic Partnerships			
Local Programs	45.0	50.0	52.0
Transportation Partnerships total	45.0	50.0	52.0
Support Services			
Facilities Maintenance & Operations	89.0	94.0	94.0
Program Delivery Management & Support	214.4	209.6	209.6
Transportation Management & Support	172.9	172.9	173.9
Office of Information Technology	240.5	243.6	243.6
Transportation Planning, Data, & Research	197.3	183.3	186.3
Support Services total	914.1	903.4	907.4
Total	4,389.0	4,468.8	4,505.3

* 2001-03 Budget Now in Force includes 2001-03 Original Enacted Transportation Budget plus 2002 Supplemental Transportation Budget Changes.

CAPITAL BUDGET

FTEs

	2001-03 Budget Now in Force*	2003-05 Current Law Proposed Budget	2003-05 Referendum 51 Proposed Budget
Highways			
Capital Facilities	14.0	16.0	16.0
Highway Improvements	1,188.5	844.0	1,607.0
Tacoma Narrows Bridge	10.4		
Highway Preservation	1,032.5	1,041.0	1,043.0
Traffic Operations	17.0		
Highways total	2,262.4	1,901.0	2,666.0
Ferries			
Ferries Construction	130.8	130.8	186.9
Rail			
Rail	9.5	7.5	15.0
Transportation Partnerships			
Transportation Economic Partnerships	3.0	-	-
Local Programs	-	-	3.0
Total	2,405.7	2,039.3	2,870.9

* 2001-03 Budget Now in Force includes 2001-03 Original Enacted Transportation Budget plus 2002 Supplemental Transportation Budget Changes.

Appendix F

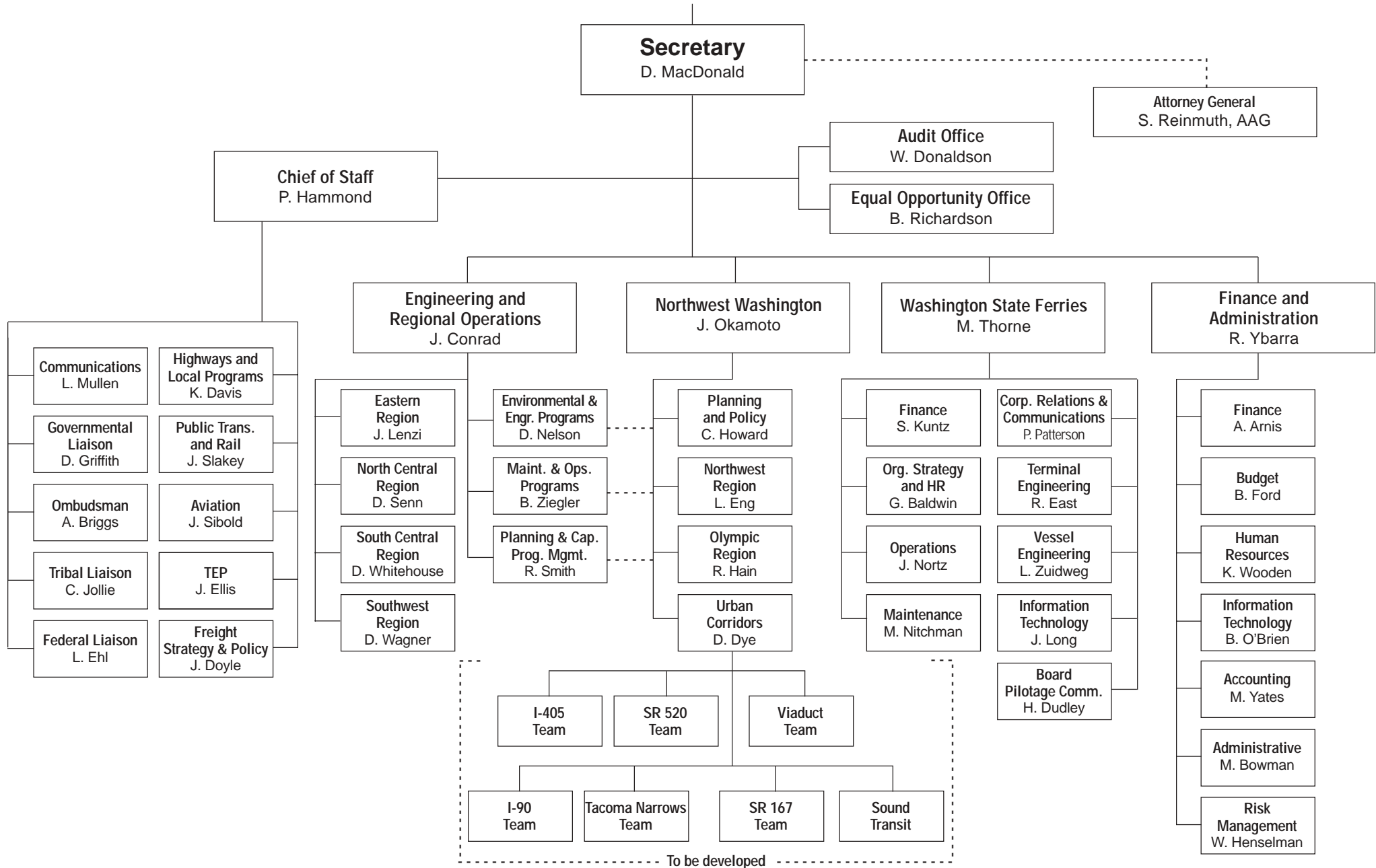
WSDOT Organization Chart

Washington State Transportation Commission

Ed Barnes
Elmira Forner

Aubrey Davis, Chair
George Kargianis
A. Michèle Maher

Christopher Marr
Connie Niva



Appendix G

Gray Notebook



**Washington State
Department of Transportation**

Measures, Markers and Mileposts

The Gray Notebook for the quarter ending June 30, 2002

WSDOT's quarterly report to the
Washington State Transportation Commission
on transportation programs and department management

Douglas B. MacDonald
Secretary of Transportation



Americans with Disabilities Act (ADA) Information

Persons with disabilities may request this information be prepared and supplied in alternate formats by calling the Washington State Department of Transportation ADA Accommodation Hotline collect (206) 389-2839. Persons with hearing impairments may access Washington State Telecommunications Relay Service at TTY 1-800-833-6388, Tele-Braille 1-800-833-6385, Voice 1-800-833-6384, and ask to be connected to (360) 705-7097.

Civil Rights Act of 1964, Title VI Statement to Public

Washington State Department of Transportation (WSDOT) hereby gives public notice that it is the policy of the department to assure full compliance with Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, and related statutes and regulations in all programs and activities. Persons wishing information may call the WSDOT Office of Equal Opportunity at (360) 705-7098.

Measures, Markers and Mileposts

The Gray Notebook for the quarter ending June 30, 2002

6th Edition

Published August 14, 2002

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“What gets measured, gets managed.”

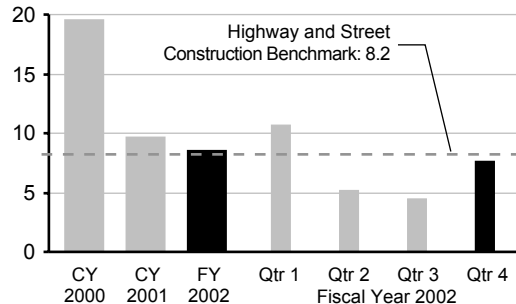
This periodic report is prepared by WSDOT staff to track a variety of performance and accountability measures for routine review by the Transportation Commission and others. The content and format of this report is expected to develop as time passes. Information is reported on a preliminary basis as appropriate and available for internal management use and is subject to correction and clarification.

Worker Safety

Continuing updates on *Gray Notebook* safety topics – data is shown for calendar years (CY) 2000 and 2001, fiscal year (FY) 2002, and for fiscal year 2002 by quarter.

WSDOT Highway Maintenance Workers

Recordable Injuries per 100 Workers per Fiscal Year

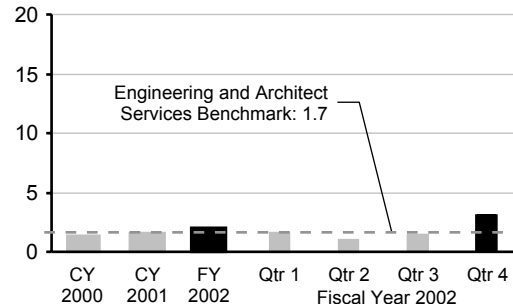


The recordable injury rate for maintenance workers declined from calendar year 2001 to slightly above the benchmark rate in FY 2002. During the fourth quarter, these workers most frequently injured their hands and backs. More than 25% of injuries occurred while driving or exiting vehicles. Five eye injuries could have been prevented with adequate eye protection.

Sources for all charts: WSDOT.

WSDOT Highway Engineer Workers

Recordable Injuries per 100 Workers per Fiscal Year



The recordable injury rate for engineer workers increased slightly above the benchmark rate for FY 2002. During the fourth quarter, these workers most frequently injured their backs and hands. Injured workers typically suffered sprains, bruises, and dislocation or inflammation caused by slips and falls.

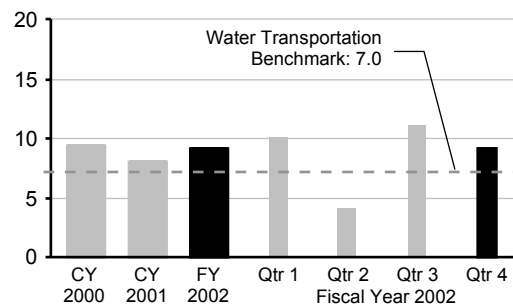
Accident Prevention Activities

Fourth Quarter, Fiscal Year 2002

- Focused safety training on Blood Borne Pathogens, Flagging, Hearing Conservation, Fall Protection, Confined Space, Meth Lab Awareness and First Aid.
- Field tested three styles of newly designed lightweight high visibility vests.
- Designed and field tested new high visibility rain gear.
- Developed new guidelines for the installation of backup alarms on all vehicles with restricted vision to the rear that operate on construction sites.
- Conducted lead exposure monitoring at the Tacoma Narrows Bridge, dust exposure monitoring at the Mercer Island and Mt. Baker tunnels on I-90, and confined space air testing at the Hood Canal Bridge.
- Conducted WSDOT statewide work zone safety conference for safety managers, maintenance workers, and representatives from the Washington State Patrol.

WSDOT Ferry Vessel Workers

Recordable Injuries per 100 Workers per Fiscal Year



The recordable injury rate for ferry vessel workers increased during FY 2002. The most common type of injury remained sprains, with 46 (55%) during FY 2002. As in previous quarters, these workers most frequently injured their backs, with 23 back injuries during FY 2002. Ferry vessel workers were exposed to sewage in nine incidents, but only two recordable injuries resulted. Fourteen injuries might have been prevented with adequate protective equipment, i.e., respirator, gloves, face shield, or goggles.

Reading the Charts

"Recordable injuries and illnesses" is a standard measure that includes all work related deaths and work related illnesses and injuries, which result in loss of consciousness, restriction of work or motion, transfer to another job, or require medical treatment beyond first aid.

The U.S. Bureau of Labor Statistics provides the selected 2000 national average benchmarks.

After discussion with the National Bureau of Labor Statistics, the following benchmarks were selected to provide relevant and consistent benchmarks:

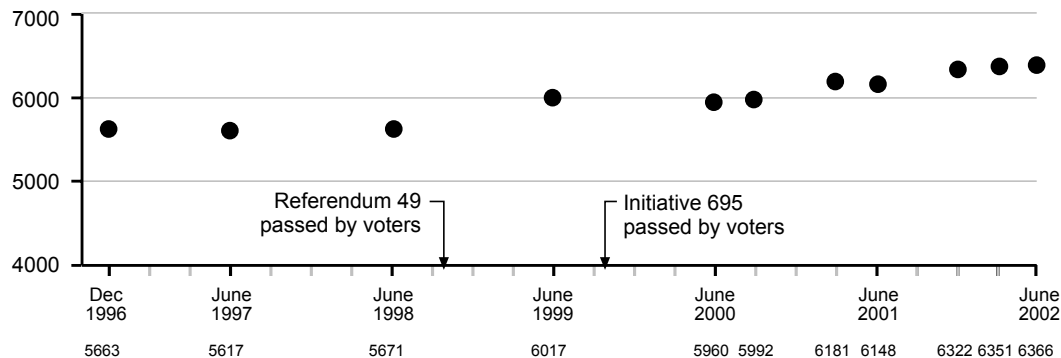
- Maintenance workers: "Highway and Street Construction" Standard Industry Classification (SIC) 161 (rate 8.2).
- Engineering workers: "Engineering and Architect Services" SIC 871 (rate 1.7).
- Ferry vessel workers: Will remain "Water Transportation" SIC 44. New 2000 rate is 7.0.

One worker equals 2,000 hours per year.

WSDOT Workforce Levels

One indicator of the agency's workforce size is the current number of permanent full-time employees on staff. The accompanying chart shows that number at various points since the end of 1996. (The number of "FTEs" [full-time equivalents] will generally exceed the number of full-time employees, since seasonal and part-time work force must also be funded from "FTE" allotments.)

Number of Permanent Full-Time Employees at WSDOT



- **Referendum 49** (Fiscal Year 1999) increased WSDOT's program and project delivery scope.
- **Initiative 695** (Fiscal Year 2000) decreased available transportation funds and required adjustments to project and program scope.
- **July 2000 to current:** Staffing reflects that in the 2001-2003 biennium, WSDOT is delivering one of the largest highway capital programs (approximately \$1.51 billion) ever undertaken in this state.

March 2002 data was adjusted, and now includes permanent seasonal employees. Source: WSDOT.

Maintenance and Safety Training Required by Law

WSDOT is catching up on a backlog of required training for maintenance workers. One way to do this and enhance safety and operations for maintenance employees is to train newly hired workers in Maintenance Academies, usually scheduled in spring and fall. This year there are three four-day Maintenance Academies scheduled, allowing new workers to receive early training to protect them against common hazards encountered on the job. Over 100 entry-level workers have been trained in Maintenance Academies so far this year. Regional maintenance trainers also deliver required maintenance and safety training during brief periods of worker availability.

The chart shows status of training completed for five of the 13 required safety courses and five of the 12 maintenance courses.

	Number of Maint. Workers Requiring Training	Total Number of Maint. Workers Trained to Date	Maint. Workers Trained 3rd Quarter FY02	Maint. Workers Trained 4th Quarter FY02	Compliance to Date: Target = 90%	Refresher Training Interval	Washington Administrative Code (WAC) and Other References
Safety Courses							
Blood Borne Pathogens	1262	911	313	257	72%	1 Yr	WAC 296-62-08001
First Aid	1288	1105	107	334	86%	2 Yrs	WAC 296-24-060
Hearing Conservation	1175	1052	0	393	90%	1 Yr	WAC 296-62-09015
Fall Protection	841	258	63	112	31%	None	WAC 296-155-24505
Flagging & Traffic Control	1022	942	73	92	92%	3 Yrs	WAC 263-155-305
Maintenance Courses							
Drug Free Workplace	285	199	0	103	70%	None	49 CFR Part 382
Forklift	1117	919	15	45	82%	3 Yrs	WAC 296-24-23025
Hazardous Materials Awareness	1031	265	12	207	26%	1 Yr	WAC 296-62 Part R
Manlift Operations	617	240	0	114	39%	3 Yrs	WAC 296-155-493
Excavation, Trenching & Shoring	477	133	98	0	28%	None	WAC 296-155 Part N

Source: WSDOT.

Highway Construction Program

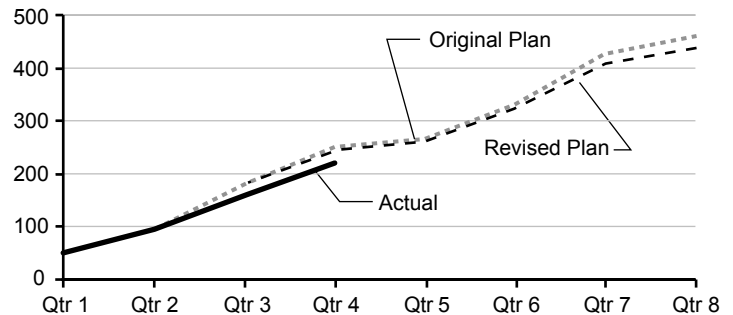
Quarterly Update

Meeting WSDOT's Scheduled Advertisement Dates

For the biennium to date, WSDOT has advertised 218 improvement and preservation projects against an original schedule of 251 projects. WSDOT's project delivery schedule, according to the Capital Improvement and Preservation Program (CIPP), is shown on the adjacent chart for the quarter ending June 30, 2002. WSDOT is meeting the planned advertisement date on over 90% of the projects that are being advertised for bids. The chart also shows a revision to the original planned line. This is the result of the \$76 million Current Law Budget reduction to the CIPP, from the 2002 Supplemental Budget.

Highway Construction Program Delivery

Planned vs. Actual Number of Projects Advertised
2001-2003 Biennium, Quarter 4 Ending June 30, 2002



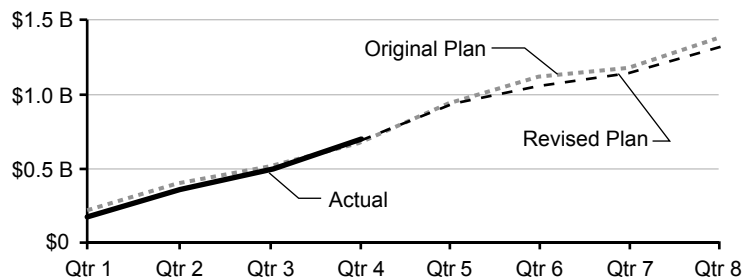
Sources for both charts: WSDOT.

Highway Construction Program Cash Flow

Expenditures through the quarter ending June 30, 2002, are on target, achieving approximately 96% of budgeted cash flow. Historically, WSDOT's cash flow for this program is 92% to 95%. The chart reflects the newly revised plan due to budget cuts as explained above. The expenditure rate now slightly exceeds historical levels and reflects the high delivery rate of projects to advertisement in the highway improvement program.

Highway Construction Program Cash Flow

Planned vs. Actual Expenditures
2001-2003 Biennium, Quarter 4 Ending June 30, 2002
Dollars in Billions



Highlights

The highlights of the fourth quarter highway program advertisements were:

- U.S. 395, Hillsboro Street Interchange, north of Pasco
Estimated at \$7.6 million.
- State Route (SR) 8, McCleary Interchange, McCleary
Estimated at \$5.0 million.

There were 20 project deferrals this quarter. Six of these were in response to the budget cuts described above. The remaining 14 were caused by delays in the scoping, design and preliminary engineering phases. The most significant of the deferred projects were:

- U.S. 12 / SR 124 to Walla Walla
Project deferred to Fall 2002 due to budget reduction.
- SR 527 / 164th St. SE to 132nd St. SE, Mill Creek
Project deferred to Spring 2003 due to budget reduction.

Forecast

Because highway construction program expenditures are running close to plan, WSDOT must carefully monitor ongoing expenditures for the remainder of the biennium. There will be little financial leeway for "surprises" in the form of major change orders or claims on projects in their construction phases. These may also include increased expenditures on right-of-way or preliminary engineering encountered during project development. WSDOT Headquarters is comparing monthly cash expenditures and updated cash forecasts to the plan for approximately 40 projects that account for about half of the remaining amount to be expended. These projects include:

- I-90 / Sunset Interchange Modification, Issaquah
- I-5 / Pierce County Line to Tukwila Interchange – HOV Lanes
- I-405 / Tukwila to Lynnwood (Preliminary Engineering)

As of August 1, no major modification of project deliveries and schedules appears to be required to maintain the program as planned.

Construction Program Update: July 1, 2001 to June 30, 2002

Having completed the first four quarters of the 2001-2003 biennium, there is a suitable sample of projects to report on the status of project delivery in relation to cost expectations.

Awarded Contracts

WSDOT awarded **177** highway construction contracts in this 12-month period.

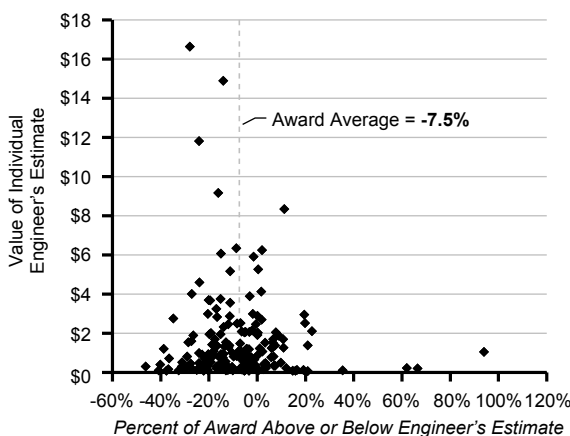
Award Amount to Engineer's Estimate

The Engineer's Estimate is WSDOT's estimate at the time of advertisement for work to be done by the contractor. Award Amount is the lowest responsive bid.

The total award amount of the contracts awarded during the 12-month period was \$250,561,516. The total engineer's estimate for these projects was \$277,091,361.

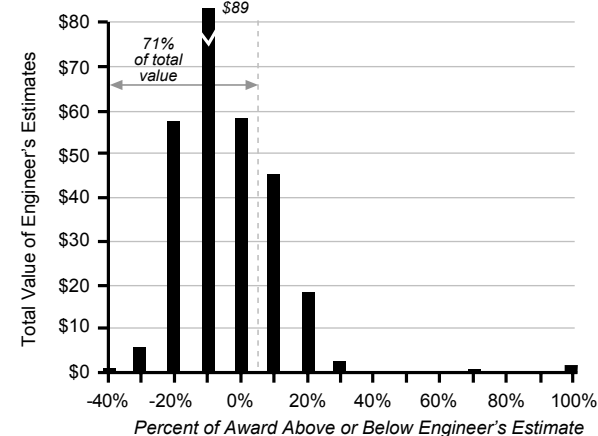
Award Amount to Engineer's Estimate

Individual Contracts
Dollars in Millions



- The individual awards were on average **7.5% below** the engineer's estimates with a standard deviation of 17.7%.
- Of all contracts, **72.9%** (129 contracts) were awarded below the engineer's estimate.

Total Grouped Value
Dollars in Millions



- By dollar value, **71%** of the total contract value was awarded at or below the engineer's estimate.

Source: WSDOT.



Left: Placing bridge deck concrete in Seattle on Interstate 5 at the northbound Ravenna and N 103rd ramp bridges.

Right: The stormwater vault for the State Route 520 – 40th Street Interchange under construction in Redmond.



Completed Contracts

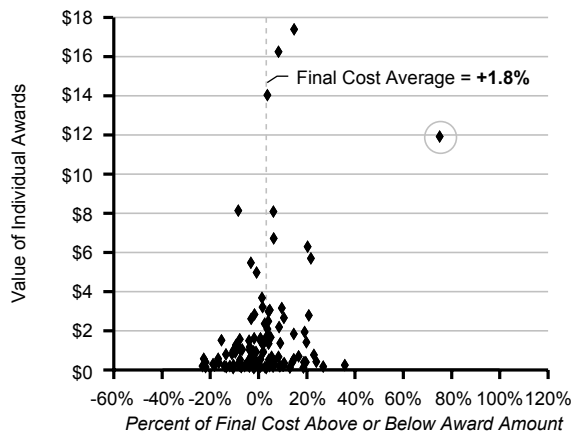
WSDOT completed **122** highway construction contracts in this 12-month period at a total cost of **\$213,953,865**.

Final Cost to Award Amount

The Final Contract Cost is the amount paid to the contractor at the end of construction.

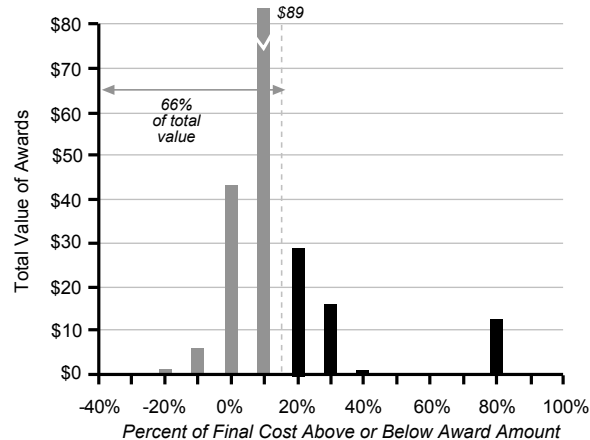
Final Cost to Award Amount

Individual Contracts
Dollars in Millions



- Looking at individual contracts*, the average percent amount by which **final cost exceeded** the **award** amount was **1.8%** with a standard deviation of 12.9%.
- Comparing the dollar value of completed contracts (approximately \$214 million) to the aggregate award value (approximately \$196 million), the final cost exceeded award amount by **9.2%** (approximately \$18 million).

Total Grouped Value
Dollars in Millions



- The final cost did not exceed **10% more than award value** for **66%** (\$141 million) of the total value of all contracts.
- Of the 122 completed contracts, the final cost for 98 contracts (**80.3%**) did not exceed 10% more than award value.

Source: WSDOT.

Readers of the "Individual Contracts" chart above will quickly be drawn to the fact that one project (circled) with a final cost of about \$21 million had about a 75% overrun against its award value. This project represents 42% of the total contract overruns from award to final. What happened?

This was the **NE 40th Street Interchange on SR 520** in Redmond. Opened to traffic in October 2000, final contract close-out was achieved in June 2002.**

Construction began in June 1999, but was ordered stopped almost immediately by the City of Redmond – a Red Tailed Hawk nest had been found about 300 feet from where a large stormwater detention pond would be built. The one-month stop work order required re-sequencing of construction, construction of temporary ponds for run-off control, the extension of earthwork into a second summer construction season, and the need to purchase fill when waste fill from the site could not be stockpiled near the nest.

Other problems included design issues around existing and new utility locations. The costs that ran up included temporary traffic control, temporary water pollution control, stormwater runoff treatment costs and charges for schedule recovery. All told, \$9.8 million.

* The results do not include on-going contracts, including the I-90 Sunset Interchange (Issaquah) and the SR 519 grade separation (Seattle), which remain work in progress.

** Completed: This was the final acceptance date, although it had been opened for traffic earlier.

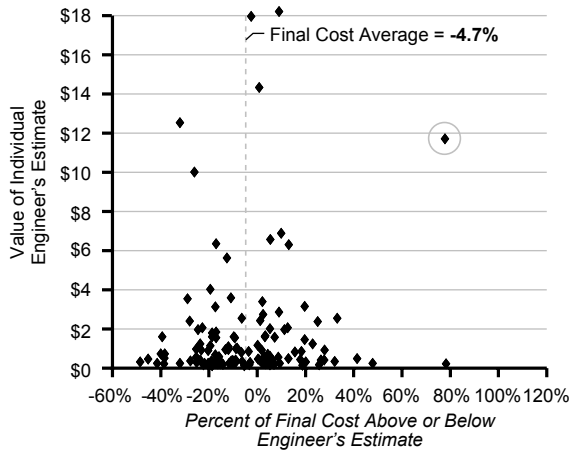
Completed Contracts

Continued

Final Cost to Engineer's Estimate

Final Cost to Engineer's Estimate

Individual Contracts
Dollars in Millions

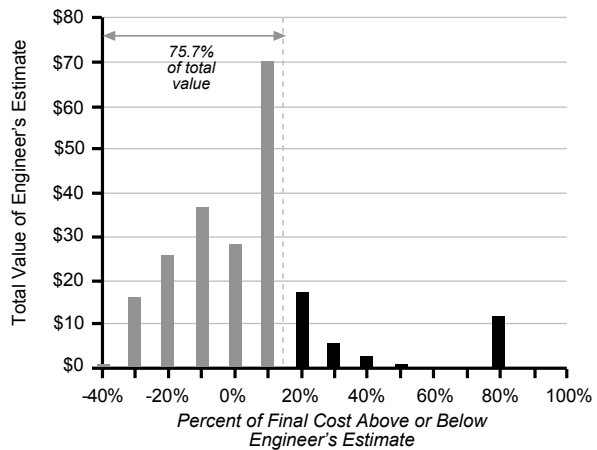


- Looking at individual contracts, **final cost fell below the engineer's estimate** by an average of **4.7%**, with a standard deviation of 21.7%.
- Comparing the dollar value of completed contracts to the aggregate engineer's estimate (\$215 million), the final cost fell below the engineer's estimate by **0.5%**.

See page 5 for explanation for circled diamond.

Source: WSDOT.

Total Grouped Value
Dollars in Millions



- The dollar value of the contracts completed in which final cost was **no more than 10% in excess of engineer's estimate** was **75.7%** (\$162 million).
- The numeric tally of the contracts completed in which final cost was at no more than 10% in excess of engineer's estimate was **81.1%** (99 contracts).



State Route 520 in Redmond, NE 40th Street Interchange Project.



Interstate 90 in Spokane, Sprague Avenue Interchange project.

Highway Safety Projects: Quarterly Update

WSDOT's safety projects can be described as either safety construction projects or Low Cost Enhancement (LCE) projects. This chart represents on-time delivery of highway safety construction projects. One safety project was deferred last quarter due to budget reductions.

This *Gray Notebook* highlights some safety projects from eastern Washington completed this quarter.

Safety Construction Program

One of the recently completed safety construction projects is the Interstate 90 ramp terminal signal project located at Barker Road in the Spokane Valley area. This project replaced a stop sign intersection with a controlled signal intersection.

Low Cost Enhancement Program

The LCE program is designed to allow WSDOT to deliver less expensive projects that provide immediate, sometimes interim, safety improvements to the highway system. Some LCE projects are safety projects that address High Accident Locations or High Accident Corridors. Other LCE projects resolve safety issues that fit the category of emergent needs as they are identified by WSDOT or constituents.

A recent example of a planned LCE is the U.S. 2 Safety Crosswalk Project in Airway Heights. This project involved 23 community groups and agencies. Two Washington Traffic Safety Commission grants supplemented WSDOT's funding. WSDOT installed three crosswalks on U.S. 2 in the busy Airway Heights business district near a shopping district and several bus stops. These are modern

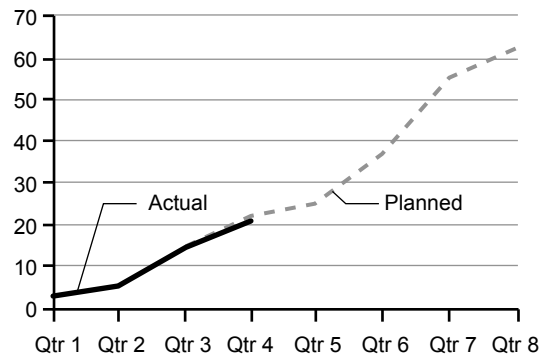
crosswalks, with embedded lighting in the pavement, bright signs, and central islands. Before the project was installed, pedestrians had to contend with traffic traveling on two way left turn lanes. Eastern Washington University helped identify the need and location of the three crossings.



U.S. 2 Airway Heights safety crosswalk project.

Safety Construction Program

Number of Projects Advertised – 2001-2003 Biennium



Source: WSDOT.



The Barker Road Terminal Signal Project in the Spokane Valley area.

Low Cost Enhancements: Emergent Needs

Several safety signs were installed in eastern Washington this quarter as part of the WSDOT and constituent emergent needs portion of the LCE program.

Sample locations and signs included:

- SR 902 school bus stop ahead
- SR 23 curve warning
- SR 21 speed limit
- SR 26 directional signs at intersection
- SR 194 Lower Granite Dam Road closed
- U.S. 395 limited access area
- SR 206 deer crossing
- SR 31 crosswalk and speed limit

Measuring Congestion: Quarterly Update

In a previous *Gray Notebook* (March 31, 2002), WSDOT reported on its congestion measurement principles (*see box at right*). Since then, real time travel measures captured from in-pavement detection systems have been added to the travel information website for 11 important commute routes in the Puget Sound region (www.wsdot.wa.gov/pugetsoundtraffic/traveltimes).

Television and radio stations regularly use this information for traffic reports and import the information to their own websites (for example, www.king5.com/livetraffic/drivetimes.html).

The Next Challenge – Travel Times: Incident vs. Non-Incident Related Congestion

WSDOT must track progress in reducing congestion and delay caused by traffic accidents and other incidents. WSDOT must also measure the proposed and actual effects of capacity improvements in reducing congestion and delay.

How can WSDOT distinguish travel time impacts from the two types of congestion (*with* incidents and *without* incidents) without having to rely on direct observation and logging of highway circumstances all over the freeway system at all hours of day and night? After considerable data review and analysis, the University of Washington's Transportation Center (TRAC) has recommended a simple and convenient analytic approach:

Travel conditions where trips are taking longer than twice as long as free flow travel times are so highly correlated with incident-induced congestion as to provide a useful indirect approximation of incident impacts.

Using this still experimental approach (labeled today at WSDOT as the *Hallenbeck Theorem*), WSDOT has now analyzed archived data for the year 2001 from its loop detector system for selected commute routes, at both morning and afternoon peak times. From this analysis, WSDOT has derived average travel times with and without incidents. (*See next page.*)

Travel Time Reliability

Meanwhile, the archived loop data has also been examined to provide key information on travel time reliability. Everyone agrees that when Ms. Smith, a typical driver, wants to plan her trip from Everett to Seattle for a concert, a ballgame, a medical appointment, a business meeting, or her nephew's birthday, the last of the following questions might be the one she would most like WSDOT to answer:

*"What's the average time it took drivers for the I-5 portion of their trip from Everett to Seattle last year at this time of day if traffic was **not** backed up from an incident?"*

*"What's the average time it took drivers for the I-5 portion of their trip from Everett to Seattle last year at this time of day if traffic **was** backed up from an incident?"*

"I can be a little early, but I can't be late. How much time should I allow, incident or no incident, if I want to be sure, 95 times out of a 100, that I'll make it at least within that time?"

WSDOT's Congestion Measurement Principles:

- Use real time measurements (rather than computer models) whenever possible.
- Measure congestion due to incidents as distinct from congestion due to inadequate capacity.
- Show whether reducing congestion from incidents will improve travel time reliability.
- Demonstrate both long-term trends and short-to-intermediate term results.
- Communicate about possible congestion fixes using an "apples-to-apples" comparison with the current situation (for example, if the trip takes 20 minutes today, how many minutes shorter will it be if we improve the interchanges?)
- Use plain English to describe measurements.

The number Ms. Smith wants is the **95 Percent Reliable Travel Time**, which has now been computed from 2001 data for the selected commute routes at peak time. For most routes it is longer than the *average* time with incidents. It gives a reasonable approximation of the “worst case” travel time scenario.

95 Percent Reliable Travel Time*						
<i>Based on 2001 Archived Loop Data</i>						
Route	Route Description	Miles	Peak Time	Avg. Travel Time Without Incidents	Avg. Travel Time With Incidents	95% Reliable Travel Time
I-5	Everett to Seattle	23.7	7:25 am	37 minutes	56 minutes	62 minutes
I-405	Tukwila to Bellevue	13.5	7:40 am	22 minutes	34 minutes	43 minutes
SR 167	Renton to Auburn	9.8	4:25 pm	15 minutes	28 minutes	39 minutes

* **95% Percent Reliable Travel Time:** If a commuter begins the route at the **Peak Time**, she can expect to be on time for work 19 out of 20 working days a month (or 95% of trips), if she allows for the **95% Reliable Travel Time**.

For the complete table of all 11 routes, visit www.wsdot.wa.gov/accountability/peaktime

For some routes with consistent performance and infrequent delays, the resulting small sample of “twice free flow time” trips tends to upset the intuitive relationship between average incident related times and the “95 Percent Reliable Travel Time.” In these instances, the “Average Travel Time With Incidents” is longer than the “95 Percent Reliable Travel Time” (for examples of specific routes, visit www.wsdot.wa.gov/accountability/peaktime/).

More information must be gathered and additional analysis will be needed before determining how satisfactorily the loop data conclusions reflect actual recurrent (without incidents) and non-recurrent (with incidents) congestion conditions. This is a report on work in progress. The issues and problems embraced are lively topics in traffic analysis all across the country. WSDOT is examining other states’ work as well as sharing our own. Refinements can be expected.

Nevertheless, work to date suggests the following measurement and tracking objectives:

Incident Related Travel Time

Changes in this time should be helpful in determining the effect of efforts to cut down on incident related congestion, for example the recent deployment of new Incident Response vehicles.

Non-Incident Related Travel Time

Changes in this number should be useful in measuring the effects of operational (such as ramp metering) and capacity improvements and in setting future performance targets.

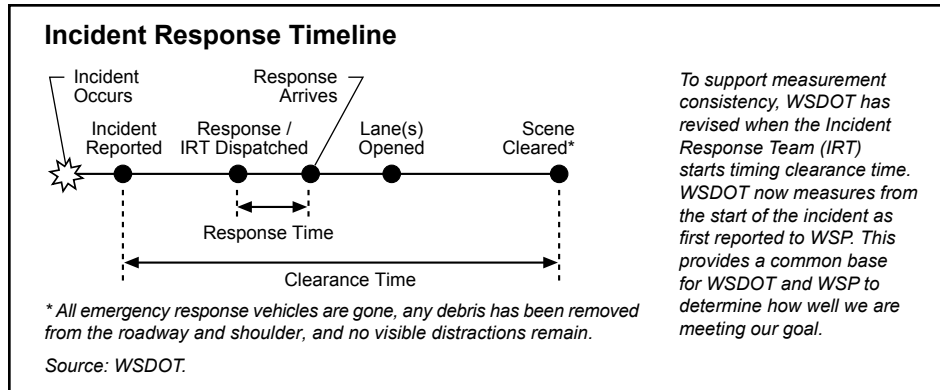
95 Percent Reliable Travel Time

This is probably the most important measure for everyday travelers. Changes in this measure should tell travelers, as time goes on, whether efforts to address congestion conditions are making their lives easier in getting where they want to go, and when they expect to get there. On the other hand, more vehicles, more drivers, more trips and attraction of more drivers onto the freeways from arterial routes, will push back congestion relief progress even as capacity improvements can be made.

Incident Response: Quarterly Update

A major element in WSDOT's efforts to keep traffic moving is to reduce incident related congestion. Since the signing of the Joint Operations Policy Statement (JOPS) between the Washington State Patrol (WSP) and the WSDOT in February 2002, the two agencies are assessing their performance against a new, joint goal of clearing all incidents within 90 minutes.

WSDOT is tracking clearance and response times for all incidents, and is focusing particular attention on those where the clearance time exceeds the 90-minute goal. These are being analyzed for lessons learned.



Fatalities and major incidents like this crumpled car on I-5 in Seattle account for the majority of incidents that take over 90 minutes to clear.

In April, WSDOT logged 19 "over-90 minute" incidents; in May, 25 incidents; and in June, 22 incidents. The examples below describe nine of the 66 "over-90 minute" incidents that occurred this quarter.

Examples of Incidents Over the 90-Minute Goal

Between April 1 and June 30, 2002

Tacoma Vicinity:

State Route 7 near 38th Street

Injury collision involving one vehicle that caused the right shoulder to be closed. Driver/vehicle went through the right-of-way fence into a WSDOT gravel pit. IRT unit had to obtain key to unlock gate in order to remove vehicle. It took 1 hour and 59 minutes to clear the scene.

Bellevue vicinity:

Interstate 405 at Coal Creek Parkway

Injury collision and roll-over blocking the exit ramp that involved two vehicles. Driver of semi reportedly had a heart attack and subsequently ran off the ramp, rolling his tractor/trailer, spilling the load of beer onto the highway. It took 5 hours and 10 minutes to clear the scene.

Whatcom County:

Interstate 5 near Loomis Trail Road

Blocking incident involving one vehicle that closed one lane. Driver reportedly fell asleep, drove into the median, rolled over and lost his load of 6,000 lb. rolls of paper onto the highway and median. It took 10 hours and 45 minutes to clear the scene.

Clark County:

Interstate 5 near 159th Street

Injury collision involving two vehicles that blocked one lane in the southbound direction. Driver collided with a WSDOT truck and fled the scene. It took 1 hour and 56 minutes to clear the scene – both vehicles had to be towed. The driver was later apprehended by a K-9 unit.

Cowlitz County:

Interstate 5 near Dike Road

Blocking debris closed one lane and the left shoulder. Flatbed pickup hauling garbage lost control and rolled, dumping garbage onto travel lanes. It took 1 hour and 58 minutes to clear the scene.

Clark County:

State Route 14 near Schmitt Pit

Injury rollover involving one vehicle that blocked one lane and the right shoulder. Semi was reportedly going too fast to negotiate curve resulting in a rollover. It took 5 hours and 41 minutes to clear the scene.

Pierce County:

State Route 162 near South Prairie

Injury collision involving one vehicle. Driver left the roadway hitting a power pole, which caused live wires to fall across all lanes. It took 2 hours and 2 minutes to clear the scene.

Lewis County

Interstate 5 on-ramp from U.S. 12

Injury rollover that blocked shoulder and ramp area. The driver failed to negotiate curve, rolled over and spilled load of milk. It took 3 hours to clear the scene.

Pierce County:

State Route 512/Canyon Rd. Interchange

Hazardous material spill that blocked two lanes. Driver of semi failed to negotiate curve on Canyon Rd. to SR 512, went through the guardrail and over the embankment and blocked the adjacent on-ramp. Remaining diesel in fuel tanks was pumped. It took 2 hours and 53 minutes to clear the scene.

WSDOT Activities to Support the 90-Minute Clearance Time Goal

The recently enhanced IRT training now includes:

- 2 days of classroom training.
- 2 days of ride-along training with an experienced IRT driver.
- 1 day ride-along training with a Washington State Patrol trooper.
- 1 day visit to the WSDOT Traffic Management Center and the Washington State Patrol Communication Center.

As of July 1, 2002, 19 additional roving incident response vehicles are operating in the Puget Sound area, Vancouver, Spokane, and on Stevens and Snoqualmie passes. Expanded Motorist Assistance tow truck operators and WSP service patrols are also assigned to segments of I-5.

The next *Gray Notebook* will report on clearance and response times for these expanded incident response services.

Trucks, Goods and Freight

Tracking measures in this area have long been an underattended issue across the country. WSDOT is now collaborating with the Freight Mobility Strategic Investment Board (FMSIB) and the Freight Mobility Roundtable to address this issue. This *Gray Notebook* presents basic information on truck registrations and permits as initial measures of trucking activity. A preliminary look has also been given to identification and measurement of impediments to truck movements and point-to-point shipper times by truck.

Are there more large trucks on the road?

The answer is yes – there are more of *every* vehicle type on the road. But the proportion of trucks compared to other vehicles on the road has remained essentially unchanged in Washington in recent years.

Truck Registrations

Washington state truck and prorate registrations, processed by the Department of Licensing, have increased over the last twenty years. The chart below, and the chart on page 12, represent truck registration trends for fiscal years 1981-2001.

Typical Truck Sizes by Weight Class



Heavy Trucks as Share of Total Daily Vehicle Volumes

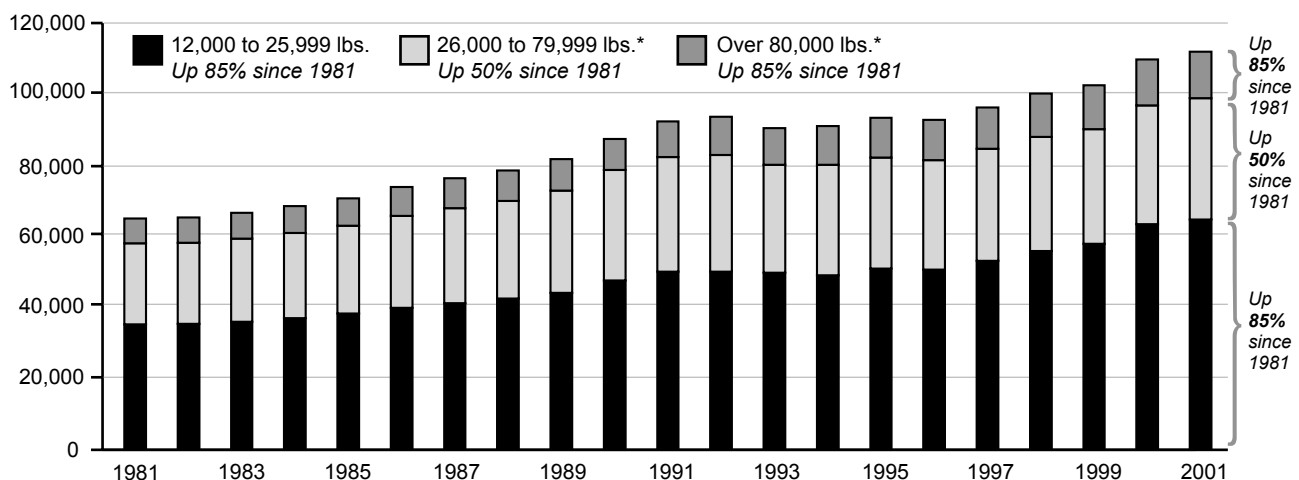
Percent Change: 1994 and 2001

Corridor	1994	2001	Change
Interstate 5 Rural	13.0%	12.4%	- 0.6%
Interstate 5 Puget Sound	4.4%	4.8%	+ 0.4%
Interstate 90 Rural	23.0%	22.0%	- 1.0%
U.S. 97	13.0%	14.0%	+ 1.0%

Source: WSDOT. (based on loop data).

Number of Registrations for Trucks in Washington Not Registered for Interstate Use

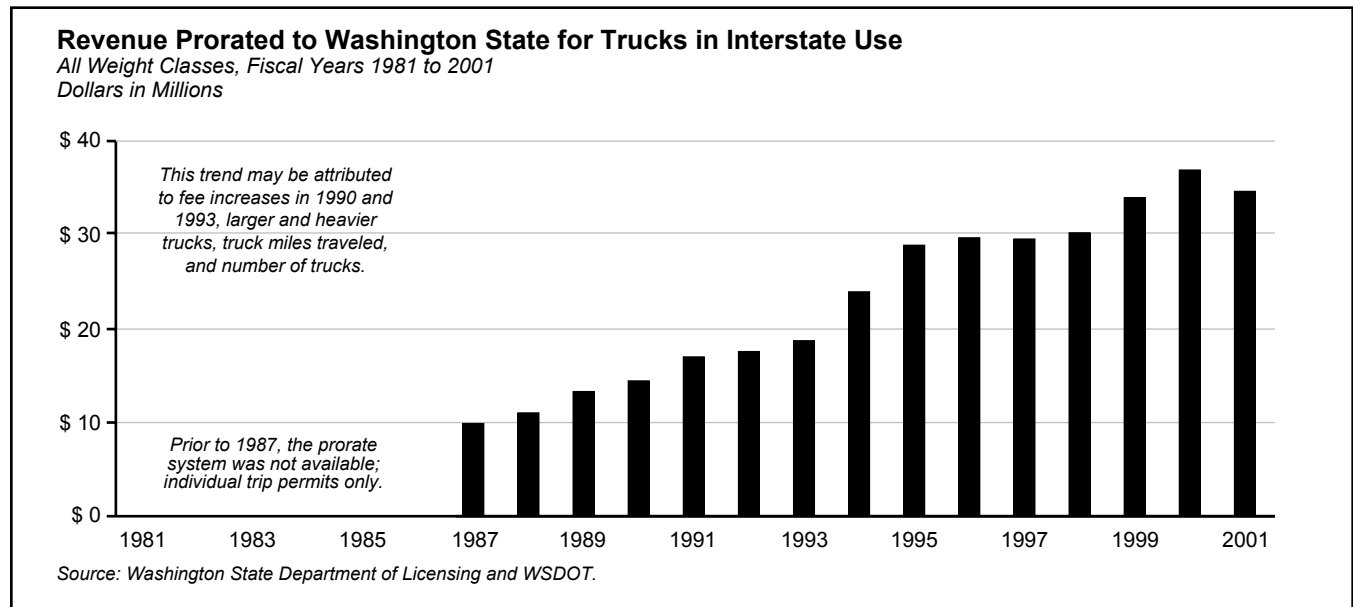
According to Typical Weight Class
Fiscal Years 1981 to 2001



Source: Washington State Department of Licensing

* Requires a Commercial Driver's License (CDL).

Trucks in interstate commerce register and pay state taxes based on weight and travel mileage. Receipts are prorated among the states in which the trucks register to travel. Washington's revenue settlements with other states involve distributing and collecting moneys from individual registrations. Available data records total revenues from the interstate registration system but does not provide data about the exact number of types of trucks that have contributed to prorated registration revenues. The growth in registration revenues, seen in the chart below, indicates an overall upward trend in trucking activity.

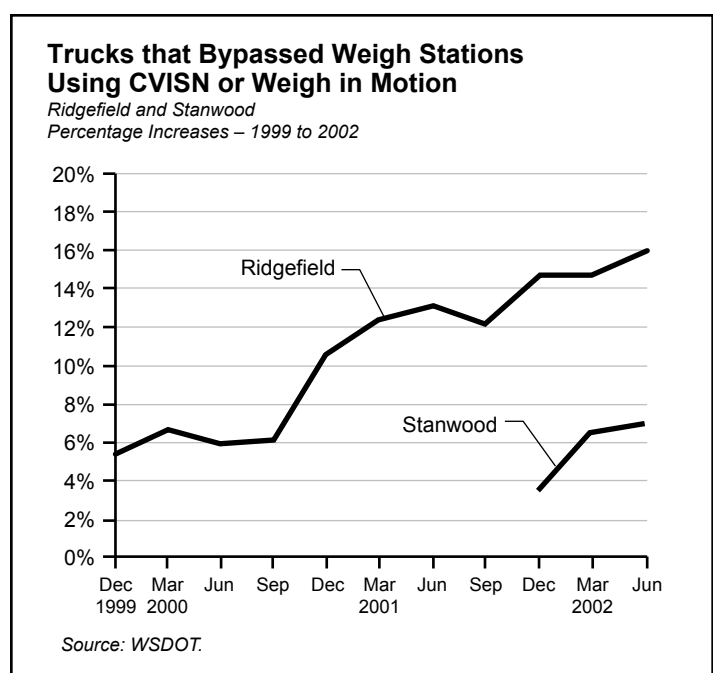


Intelligent Transportation Systems for Trucks

Washington was the first of three pilot states to successfully implement a Commercial Vehicle Information Systems and Networks (CVISN) system.

Trucks with transponders can now bypass weigh stations by electronically transmitting essential safety rating credentials, weight, and other information to a weigh station. The data is instantly checked out and if no problems appear, the trucker literally gets a green light inside the cab to keep moving without having to pull over. This technology could also be used to measure border travel times.

The chart to the right shows that transponder usage at Ridgefield and Stanwood, both on the Interstate 5 corridor, has increased. In 1999, Ridgefield (north of Vancouver) was the first weigh station in the U.S. to implement this technology; Stanwood (between Marysville

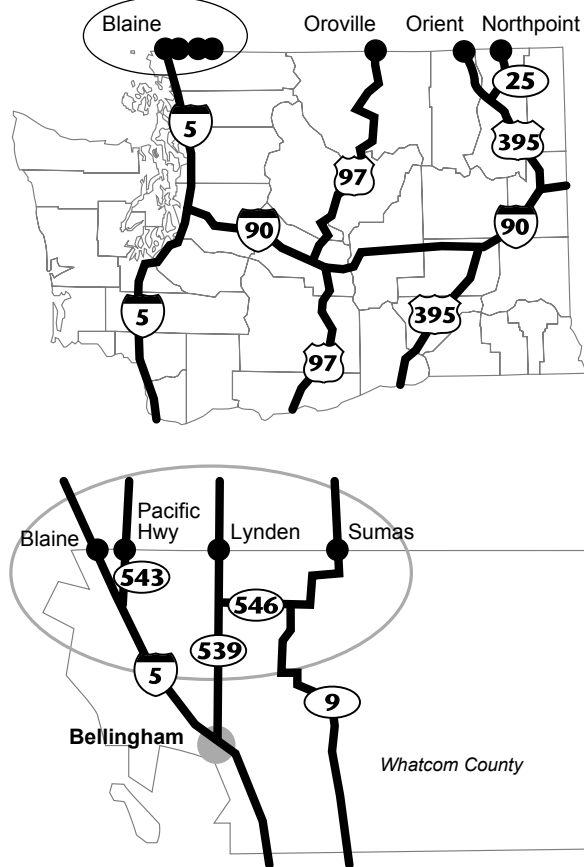


and Mount Vernon) came on-line in December 2001. Other stations using CVISN are Fort Lewis (near DuPont), Bow Hill (near Burlington) on I-5, and Cle Elum on I-90.

Major Washington Freight Routes and Border Crossings

The number one concern to the trucking community is highway and arterial road congestion. With the advent of just-in-time delivery business practices, getting goods delivered without delay is more important than ever. Truckers want quick and reliable trip times on major freight routes such as I-5, I-90, U.S. 97, and U.S. 395. A significant amount of truck movement has to contend with traveling to and crossing the U.S./Canada border. WSDOT, FMSIB, and the Freight Mobility Roundtable are now developing performance measures for three types of travel times: port-to-border, border crossing, and point-to-point.

Major Washington Freight Routes and Border Crossings



Notes:

The crossing at Blaine accommodates the fourth largest national volume of north border commercial traffic.

U.S. 395 is designated a national high priority corridor and is recognized as an important North-South Freight Corridor.

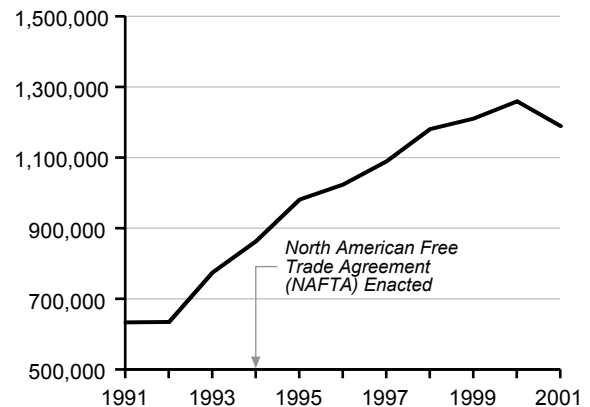
The Strategic Freight Transportation Analysis (SFTA) research study will analyze truck volumes on U.S. 395 and the data will be available later this year.

Cross Border Truck Volumes

There has been a significant increase in cross border truck volumes from 1991-2001. For ten years, volumes at the border went up approximately 10% a year. This chart also shows a recent decline in truck volumes at the border crossings for the last five quarters.

Cross-Border Truck Volumes

Northbound and Southbound, 1991-2001



Source: U.S. Customs Service and Statistics Canada.
Compiled by Whatcom Council of Governments.

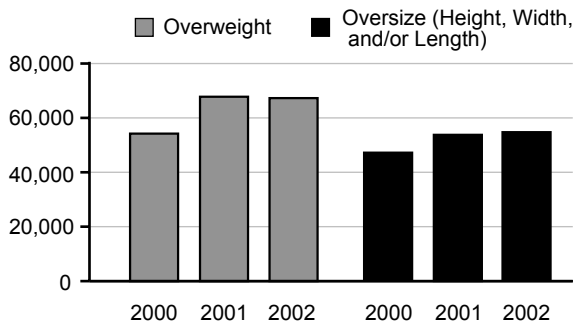


This photo shows the U.S./Canadian border truck crossing on State Route 543 (Pacific Highway) in Blaine on Friday, August 2, 2002, just before noon. Trucks going into Canada can only use the State Route 543 crossing. This traffic camera can be found at www.wsdot.wa.gov/traffic/

Overdimensional Permits

WSDOT implemented an electronic permit issuance system in 1999 to save time and money for both truckers and WSDOT. Permits issued in Washington state for both oversize and overweight trucks have increased significantly for fiscal year 2000 to 2001, but held about steady for 2001 to 2002.

Number of Overdimensional Trucking Permits
Fiscal Years 2000 - 2002



Source: WSDOT.

Impediments to Truck Shipping on the State Highway System

Structural impediments to truck use on the state highway system matter to truckers, WSDOT and local communities. An example of a structural impediment is a bridge with posted weight restrictions below legal load limits. Other impediments include restricted bridges and vertical clearances on bridges.

There are also 130 restricted bridges on the state system. Restricted bridges are bridges that can only support legal loads. Overweight permits are not issued for these bridges.

Photo: Typical weight restriction sign. This particular sign is for the Murray Morgan Bridge on 11th Street in Tacoma.



Leading Bridges in Washington With Posted Weight Restrictions Below Legal Load Limitations

Route	Bridge Name & Location	Limitations
99	Alaskan Way Viaduct Northbound and Southbound Seattle	No Over Legal Axle Weights – 105,500 lbs. Weight Limit. Each single axle not to exceed 20,000 lbs. Tandem axles not to exceed 34,000 lbs. Trucks and buses to travel in right lane only.
165	Carbon River, 0.5 mile north of junction with Carbon River Road	Trucks: 50,000 lbs. Truck/Semitrailers: 72,000 lbs. Truck/Trailers: 80,000 lbs.
240	Yakima River, 1 mile north of junction with U.S. 12	No Over Legal Axle Weights – 80,000 lbs. Weight Limit.
241	Mabton - Sunnyside #650 1.3 miles from junction with SR 22	Trucks: 28,000 lbs. Tractor/Semitrailers: 36,000 lbs. Truck/Trailers: 44,000 lbs.
509	Murray Morgan, Tacoma	20,000 lbs. Weight Limit.
530	Sauk River Bridge, 5.5 miles south of Rockport	No Over Legal Axle Weights – 80,000 lbs. Weight Limit.

Source: WSDOT.

Managing Overdimensional Truck Loads to Keep Traffic Moving and Prevent Damage to the Highway

To facilitate the movement of overdimensional vehicles on state highways, WSDOT issues permits with travel time and route specifications. WSDOT limits overdimensional transport to non-peak traffic times to minimize traffic congestion and improve traveler safety. The load is also routed around bridges that cannot safely support its weight, as well as tunnels or

underpasses that cannot accommodate its dimensions. A truck or load needs special consideration if it is wider than 8 feet 6 inches, taller than 14 feet, longer than 40 feet, or has a trailer longer than 56 feet. Approximately 125,000 of these large loads are given permits for transit on Washington state highways each year.

Highway Maintenance: Quarterly Update

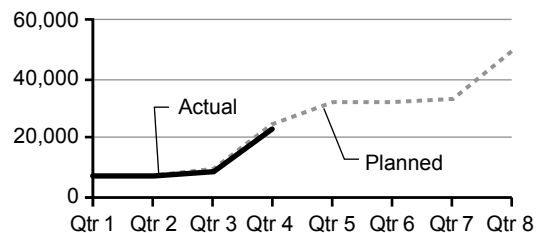
Pavement Striping

Wear and tear requires that stripes must be repainted each year.



Pavement Striping

Miles of Roadstripe Painted
2001-2003 Biennium



Note: The planned, annual miles of painted stripe was reduced to 24,260 due to the replacement of 255 miles of painted stripe with durable markings in 2001 that do not require annual re-painting.

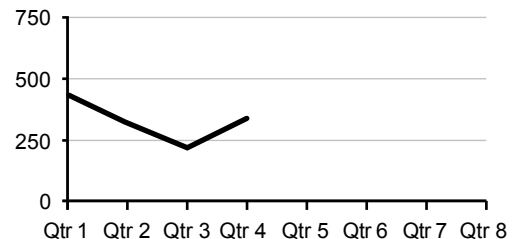


Litter Removal

Litter, debris, and animal carcasses must be removed from highways and roadsides. Pickup and disposal activities are carried out by highway maintenance personnel, citizen volunteers (Adopt-a-Highway Program), Dept. of Corrections work crews, and members of the Dept. of Ecology Youth Corps. (See March 31, 2002 Gray Notebook for more details.)

Tons of Litter Removed from State Highways

2001-2003 Biennium



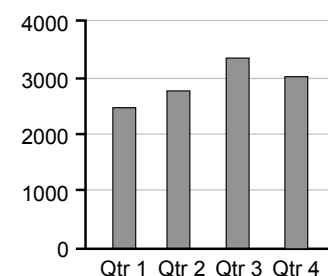
Highway Sign Maintenance

Maintenance on highway signs includes repairing or replacing damaged signs or posts and washing signs that are not readable. Highway signing contributes to motorist safety and convenience by giving information on roadway regulations, routes, destinations, and services.



Number of Maintenance Actions on Highway Signs

2001-2003 Biennium

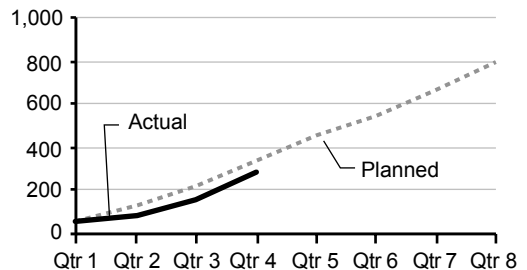


Sign Bridges

Sign bridges are structures used to mount large signs over or near highways. These structures periodically need repairs of loose or rusted bolts, bracing, and foundations.

Repairs of Sign Bridges

Number of Sign Bridges Repaired
2001-2003 Biennium



Source for all charts: WSDOT.

Why Hadn't Anybody Else Thought of This? (WSDOT's Jerry Lowery Did!)

Debris on the roadways is dangerous to motorists. But removing debris, especially on heavily traveled high speed freeway lanes, can be an everyday life-threatening experience for highway maintenance workers.

In 2001, Jerry Lowery of WSDOT's Lakewood Maintenance Shop, designed a new truck attachment that might be thought of as a 21st century cowcatcher. Jon Moergen of WSDOT's Tacoma Narrows Bridge maintenance crew, built Jerry's debris pusher, which is mounted on the plow attachment. A maintenance truck can now swoop in at highway speeds on the remnants, say, of a large tire in the travel lanes. Without even stopping his truck, to say nothing of dodging speeding vehicles on foot on the highway, the maintenance worker can maneuver the debris to the roadside for safe and convenient disposal in the truck bed.

Jerry won the 2001 Crystal Mouse Award from WSDOT's Washington State Technology Center for his innovation. No counterpart has been found in any of the equipment catalogs. At least three other state transportation departments, after writing for Jerry's plans, have added debris pushers to their maintenance fleets.



How Do They Paint the Stripes So Straight?

Drivers depend upon paint striping to guide their vehicles down the road. Straight lines contribute importantly to safe highway operation. But how are these straight lines produced?

Painting a straight line requires teamwork, sophisticated equipment and total concentration. The striping truck driver and the two "gunners" who control the spray guns for the centerline and the edge line (as well as all the support trucks) are in constant radio communication. The gunners must start the flow of paint at the precise instant and location where it's needed, so they concentrate on the line they are creating, watching the paint as it covers the road surface or the existing stripe. The striping truck driver tells the gunners when a striping pattern is going to change. The support trucks help protect the crew from traffic behind them, and inform them of upcoming wide loads, narrow bridges, long queues of vehicles behind the striping, or other "obstacles" they may encounter.

The driver's equipment includes a video camera, a video monitor, (which is used about half the time to navigate the truck) and a sight similar to a gun sight. The gunners' equipment, in a booth mounted on the back of the truck, includes a specially programmed computer that creates different types of lines, and specialized spray guns controlled by steering wheels and switches. All of this equipment is on a truck designed to provide extra directional stability.



Aviation Division

The Aviation Division directs air Search and Rescue (SAR) missions, registers aircraft and pilots, maintains 16 state-owned airstrips, administers Airport Aid Grants, and provides aviation planning support to cities and counties. WSDOT is currently working with a newly formed advisory committee, the Aviation Alliance, to develop performance measures related to these responsibilities.

Airports in Washington

There are 129 public use airports in Washington.

- 13 airports provide commercial service.
- Cities, counties, and port districts own most airports.
- WSDOT owns 16 small emergency airstrips in the Cascades Mountains, along the Snake River, on the beach in Copalis, and other locations.
- WSDOT airstrips are used for emergency landings only – no commercial flight services are available.
- A few of WSDOT's airstrips have full-time caretakers. WSDOT crews or volunteers mow and maintain the airstrips; only two are paved.



Rogersburg Airstrip in Asotin County .

State-Owned Airports



Pilot and Aircraft Registration

Only 8,900 of Washington's 24,000 Federal Aviation Administration (FAA) registered pilots are currently registered with WSDOT. Registration with WSDOT is required in this state, but there is little public education about the program and no enforcement. WSDOT's new outreach coordinator will help improve registration rates. As a first step, on-line registration will be available soon.

Pilots who pay the \$8 annual fee to register with WSDOT receive a copy of the *Pilot's Guide to Washington Airports* detailing general airport information (navigation information, aerial photographs of 137 airports, airport radio frequencies, type of fuel and services available) and the *Flight Plan* newsletter.

Aircraft registration is also low with only 4,582 aircraft of the 10,000 aircraft in Washington registered. Aircraft owners pay an average of \$43 a year, based on an airplane excise tax schedule.

Registered Pilots and Aircraft

	FY97	FY98	FY99	FY00	FY01
Pilots	9,740	10,254	9,747	9,485	8,961
Aircraft	4,440	4,687	4,768	4,644	4,582

Source: WSDOT.

In 2001, \$70,000 of pilot registration fees was collected to fund Air Search and Rescue Program and education, and \$60,000 in aircraft registration fees funded aviation grants.

Air Search and Rescue

When an aircraft is lost, WSDOT directs the search in coordination with the U.S. Air Force, law enforcement, and Washington Air Search and Rescue (WASAR) volunteers. WSDOT sets up the base command center, coordinates rescue pilots, and works with the military to pick up electronic locator transmitter (ELT) signals to pin point the location of the lost aircraft. Pilot and aircraft registration fees that are collected by WSDOT fund the SAR program and air safety education.



Search and Rescue

WASAR was established to support air search and rescue activities coordinated by WSDOT's Aviation Division. WASAR contributes 400 state qualified search pilot volunteers, observers, and air vehicle owners and over 200 privately owned airplanes. Members and their equipment are available 24-hours-a-day to support air SAR activities. Search flying requires careful teamwork. Most search flying is done at a 500-1000' altitude and 70-80 knots. During a search, a two pilot-observer team might typically be assigned a 7.5 minute by 7.5 minute (about 5 by 7.5 nautical miles) grid box that might take two hours to cover.

Training

The most popular air safety education course offered by WSDOT is the annual Mountain Flying Clinic that provides pilots with an opportunity to learn high country flying techniques in the Cascade Mountain Range. Each year WSDOT sponsors flight instructor refresher clinics, mechanic inspection renewal clinics, emergency preparedness and survival training, mountain flying seminars, and search and rescue training clinics.

WSDOT Grants to Airports

WSDOT Local Airport Aid grants provide funding for essential maintenance and pavement preservation projects. The program is funded by the 7.5¢ tax per gallon on aviation gas. Approximately \$1 million is available each year for WSDOT airport grants, however the impact of September 11th has reduced average fuel sales. The Airport Aid Grant Program awarded \$1.5 million to 37 airports this biennium.

Rogersburg Airstrip Opened for Emergency Landings (and Fishing!)

Rogersburg is a scenic backcountry airstrip in southeast Washington alongside the Snake River. The airstrip was closed in 1996 and successfully reopened this quarter, May 13, 2002, with the help of volunteers. Last year's



attempt to open the strip went awry when the volunteer's lawnmower caught fire and spurted burning fuel onto grass and thatch. Over 600 acres

were damaged by fire. In November, volunteers, eager to see this airstrip open again, reseeded approximately 200 acres with 3,000 pounds of grass seed. Pilots look forward to using this airstrip again to access popular fishing spots on the river.

Additional information about Rogersburg, as well as all the other state-owned airports, is available at the Aviation Division web site: www.wsdot.wa.gov/aviation

Pilot and Mechanic Refresher Courses

Total Trained

FY 98	FY99	FY00	FY01	FY02
297	309	492	466	462

Source: WSDOT.

Taxable Gallons of Aviation Fuel

Fiscal Years 1995 - 2001

Total Gallons in Millions

FY95	FY96	FY97	FY98	FY99	FY00	FY01
26.2	27.1	32.6	29.8	35.9	25.1	22.9

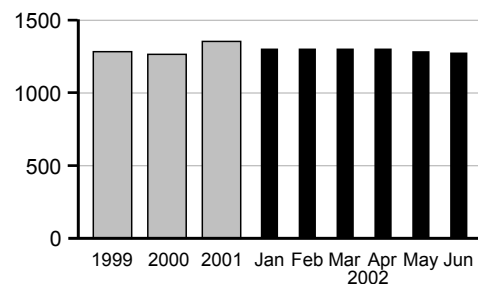
Source: WSDOT.

Commute Trip Reduction: Quarterly Update

Vanpools in the Puget Sound Region

The number of public vanpools on the road in the Puget Sound region has declined 2 percent since January. If this trend continues for the year, 2002 will be only the second year with declining vanpools since the public system began nearly 23 years ago. Since 1998, the number of vanpools on the road is up 8.3 percent. Despite the overall decrease, one type of vanpooling, the *VanShare* program (the use of vans as connections between trains and ferries) continues to expand.

Number of Operating Vans



Source: WSDOT.

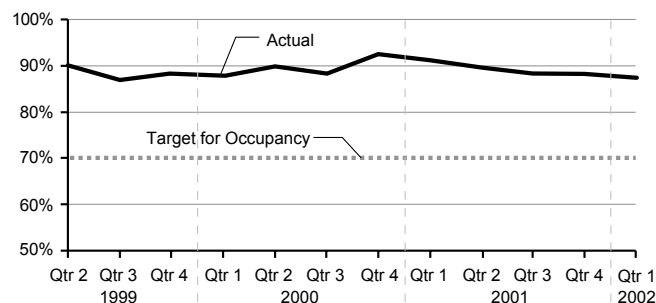
Quarterly Regional Vanpool Highlights

- To reverse the recent vanpool declines, several operators have begun offering rider incentives, including providing the first month free.
- Washington State Ferries, King County Metro Transit, and Kitsap Transit are partners in a program that puts vanpool and carpool information from Metro and Kitsap Transit on the ferries serving Bainbridge, Bremerton, Vashon, and Southworth. Commuters on these routes are being introduced to the newest commute service, *VanShare*, which places vans at both ends of ferry routes heavily used by commuters to give commuters a ridesharing option.
- Federal agency incentives continue to offset some vanpool group losses. For example, Pierce Transit added 24 new federal employee riders this quarter.
- WSDOT has rented 76% (38 vans) of its vanpool rental fleet to meet the short-term needs of the vanpool operators. This includes all five vans currently operated by Skagit Transit's new vanpool program.

Park & Ride Lot Occupancy at WSDOT-Owned Sites in King County

Crowding of Park & Ride lots continues to constrain increased ridesharing. During the first quarter of 2002, the average occupancy for the nearly 8,000 parking spaces in 31 WSDOT lots was 87%. At occupancy levels above 70%, risk of not finding a parking space becomes an issue for potential users and discourages expanded use of vanpooling and transit.

WSDOT-Owned King County Park & Ride Lots
Percent of Capacity Used: 1999-2002*



Source: WSDOT.

Almost two-thirds (65%) of WSDOT's Park & Ride lots in King County were more than 70% full during the quarter.

Parked cars exceeded maximum capacity at seven lots, down from 10 lots over capacity last quarter.

*Data availability has a lag of three months to allow the transit systems to collect and analyze the data. Data for the second quarter of 2002 will be available in the next Gray Notebook.

CTR Overview

Washington law requires employers with more than 100 employees, located in nine Washington counties, to participate in a program to decrease energy consumption, improve air quality and reduce traffic congestion by reducing commute trips.

WSDOT supports this program with direct and indirect assistance to the employers to encourage voluntary participation in the program. A tax credit was available in the years 1994-1999 which acted as an incentive for voluntary participation. Many employers involved in the program report economic benefits from the program, for example, reduced costs of providing parking for commute vehicles.

Carpools and Vanpools Help Offset Closures of Ferry Terminals During Construction

During the upcoming three-week closures of the Southworth and Fauntleroy terminals (September 21 to October 14, 2002), WSF, King County Metro, and Kitsap Transit will team up to help commuters. Registered vanpools and carpools will be able to use free parking in downtown Seattle and at Southworth, enabling commuters to use the temporary walk-on ferry service provided at Southworth and try *VanSharing*. King County Metro will also provide commuter vans at Seattle's Colman Dock to all existing Metro vanpool groups during the closure.



Vanpools enjoy guaranteed loading on ferry sailings.

Driving Alone: Comparative Data from the 2000 Census

Recently released 2000 census data provided "drive alone" commuting rates for each state and the country as a whole. The nation's "drive alone" rate went up since 1990 by over 3% to 76%. *Every state showed an increase.* Washington's increase, however, was only 0.24%, the lowest increase in the country, virtually equal to the Oregon increase of 0.25% and well below California's increase of .80%. Washington improved 11 places from 1990 to 2000. Compared with the 2000 statewide commuting "drive alone" rate of 74.1%, employees at CTR participating worksites have a "drive alone" rate of only 64.9%, down from 73.9% a few years ago.

Source: 2000 Census Supplementary Survey.

State	Drove Alone (2000)	2000 Rank	Drove Alone (1990)	1990 Rank	Change in Drove Alone Share
U.S.	76.3%		73.2%		3.1%
Alabama	84.6%	1	79.2%	1	5.4%
Michigan	83.7%	2	81.5%	2	2.2%
Idaho	76.1%	36	74.8%	23	1.3%
Utah	75.8%	37	73.9%	29	1.9%
Montana	75.1%	38	71.7%	41	3.4%
Wyoming	74.8%	39	73.8%	32	1.0%
Arizona	74.3%	40	73.6%	33	0.7%
Washington	74.1%	41	73.9%	30	0.2%
Oregon	73.6%	42	73.3%	36	0.3%
Massachusetts	73.5%	43	72.1%	39	1.4%
Maryland	73.3%	44	69.8%	47	3.5%
Illinois	73.2%	45	69.9%	46	3.3%
California	72.4%	46	71.6%	43	0.8%
New Jersey	72.3%	47	71.6%	42	0.7%
Alaska	68.8%	48	62.5%	48	6.3%
Hawaii	66.8%	49	60.5%	49	6.3%
New York	55.7%	50	54.3%	50	1.5%
District of Columbia	40.0%	51	35.1%	51	4.9%

Employer Highlight

SAFECO offers its employees a FlexPass that gives them unlimited rides on Metro, Community Transit, Sound Transit, and Pierce Transit.



In 2001, SAFECO implemented a new Vanpool Incentive Program, which attracted 180 new vanpoolers and removed more than 78,000 commute

trips a year from the roads. Nearly 40% of SAFECO employees use a commute alternative, reducing the need for 575 parking stalls on the Redmond campus and over 700 spaces at SAFECO Plaza in Seattle's University District.

National Award for the Commute Trip Reduction Program

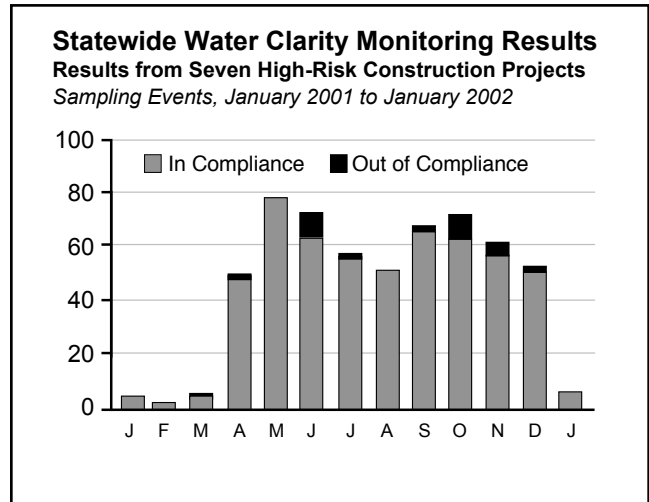
Recently the U.S. Department of Transportation commended WSDOT and ten other public and private sector organizations for expanding transportation choices for commuters. WSDOT, the only state department of transportation recognized, received the award for the Commute Trip Reduction Program.

Mary Peters, Federal Highway Administration Administrator, said of the award, "By improving the choices available for commuters to get to work, these pioneer agencies are playing an important role in reducing the overall impact of congestion and protecting the environment."

Protecting Streams from Construction Site Erosion and Runoff

Summary of 2001 Pilot Project Monitoring Results

In 2001, WSDOT took weekly water quality samples upstream and downstream from seven critical construction projects for erosion and sediment control. Tabulating the weekly samples into monthly summaries, the accompanying chart illustrates that more than 95 percent of 578 sampling events proved streams to be free from violations of permit conditions for the construction activities; 32 samples (5.5%) showed non-compliance. More than half (18) of the problems occurred in June and October. Fourteen of those high readings were associated with heavy rainfall events (mostly ½- to 1-inch storms) and four were associated with unavoidable in-water work. Most of the other problems occurred in November and December as large, prolonged storms (1-3 inches of rain/day) overwhelmed the design capacities of approved Best Management Practices on fully winterized areas. In all cases the non-compliance readings prompted immediate corrective actions to regain and maintain compliance with water quality laws.



Source: WSDOT.

Revised Monitoring Standards for 2002

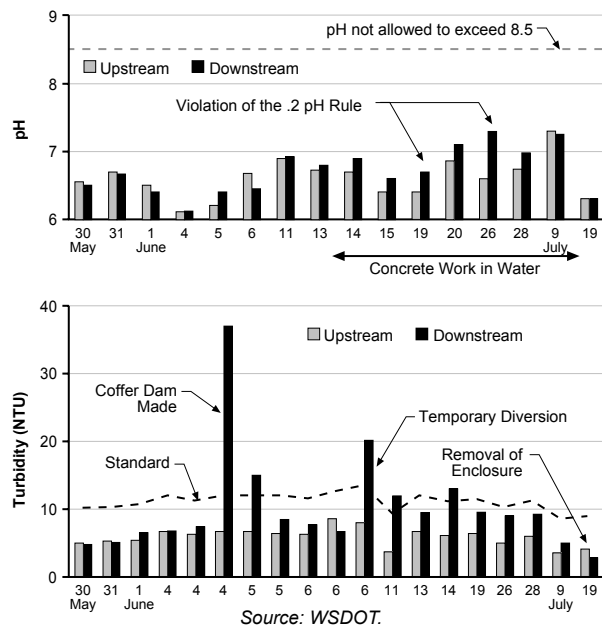
The pilot monitoring work in 2001 showed the need for greater standardization in monitoring and reporting. New protocols were developed to improve consistency in sampling methodology and formalize regulatory reporting. The following report on an I-90 West Ellensburg bridge repair shows the information format for the current construction season. Additional information on 2002 results will be available in a future *Gray Notebook*.

Temporary Cofferd Dam Protects Wilson Creek During Bridge Repairs, I-90 – West Ellensburg

Concrete work to repair bridge supports can cause critical in-stream pH jumps. At Wilson Creek, repairs to an I-90 bridge were performed with a temporary steel coffer dam and water treatment pond. While concrete was being placed, pH levels inside the dam reached as high as 9.5, well above the 8.5 limit. But in the protected, adjacent stream, levels never exceeded 7.5. It is also required that downstream pH not exceed the upstream measurement by more than .2 pH. This stringent requirement was also met except on two days.



Upstream to downstream changes to the turbidity of the stream were also measured. Instances of temporarily exceeding the turbidity standard were associated with the installation of the coffer dam itself and a couple of instances of construction activity.



Washington State Ferries: Quarterly Update

Customer Feedback

WSF collects customer complaints, compliments, comments, and suggestions. This information is recorded in the Automated Operating Support System (AOSS) database for measurement and action, based on date base cross tabulation and analysis.

The charts show trends in the data for the last three fiscal years, the four quarters of fiscal year 2002, and the 2002 summary.

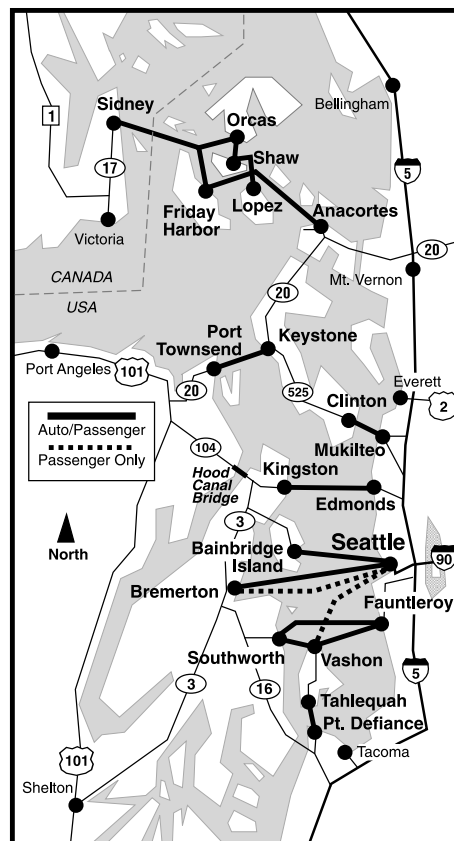
While fourth quarter complaints were down 8 percent from the previous quarter, the year-end FY 2002 summary shows an overall increase in complaints of about 35 percent compared to FY 2001.

For the quarter, the largest category of complaints was on-time performance. These as well as a large volume of loading/unloading complaints were related to a service failure in May on the Seattle/Bainbridge that led to capacity downsizing on that route and single vessel service on the Bremerton/Seattle route for one day on May 7.

For the entire year, WSF received 413 complaints related to ticket issues, compared to 135 in the preceding year, as customers reacted to tariff increases. Compliments increased 23 percent in FY 2002 over the previous year.

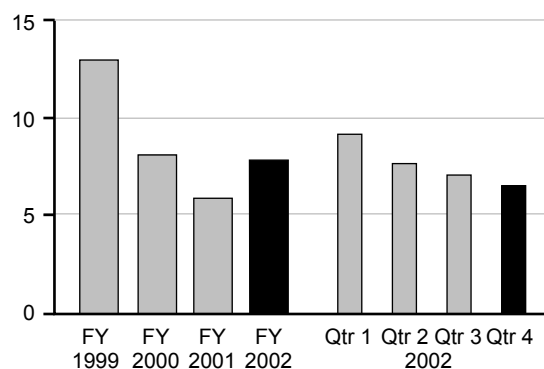


Washington State Ferries carry other vehicles besides cars and bicycles. In the San Juans and other island locations, big trucks still need to take a ride to get to the job site and deliver their materials. In some special cases, ferry runs are provided to get larger and/or hazardous cargo (i.e., gasoline for service stations) to island businesses.



Total Customer Complaints

Complaints per 100,000 Customers*

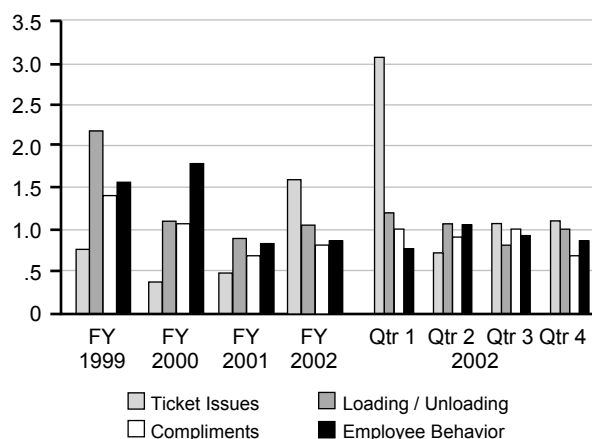


*Does not include compliments or suggestions.

Source for all charts: WSDOT.

Most Frequent Customer Comments

Top Four Comment Types per 100,000 Customers
Fiscal Year 2002, Fourth Quarter



On-Time Performance

Washington State Ferries has now collected on-time performance data for four quarters of fiscal year 2002. The table below depicts WSF on-time performance across the system for the third and fourth quarters, and for the entire fiscal year. Fourth quarter on-time performance declined from the preceding quarter. This was primarily due to vessel related service problems on the Fauntleroy/Vashon/Southworth route and temporary vessel assignments on the Bainbridge/Seattle and Bremerton/Seattle runs.

On-Time Performance Delivery

A trip is considered to be on time if it departs within ten minutes of the published scheduled sailing time. Missed trips are not reported in this measure. They are included in the following measure (Trip Reliability).

Route	Third Quarter Fiscal Year 2002			Fourth Quarter Fiscal Year 2002			Totals for Fiscal Year 2002		
	Number of Trips	Percent of Trips Within 10 Minutes of Schedule	All Trips Average Delay From Scheduled Sailing Time	Number of Trips	Percent of Trips Within 10 Minutes of Schedule	All Trips Average Delay From Scheduled Sailing Time	Number of Trips	Percent of Trips Within 10 Minutes of Schedule	All Trips Average Delay From Scheduled Sailing Time
San Juan Domestic	6,478	92%	2.0 minutes	6,575	88%	3.4 minutes	26,716	84%	4.5 minutes
International Route	175	82%	4.3 minutes	209	71%	8.6 minutes	901	81%	5.7 minutes
Edmonds/Kingston	4,329	96%	2.5 minutes	3,844	93%	3.4 minutes	17,078	92%	3.5 minutes
Passenger-Only: Seattle/Bremerton	1,604	95%	2.7 minutes	1,658	96%	2.9 minutes	6,507	96%	2.9 minutes
Passenger-Only: Seattle/Vashon	971	99%	1.9 minutes	1,054	99%	1.9 minutes	4,043	98%	2.2 minutes
Fauntleroy/Vashon/Southworth	10,569	95%	2.9 minutes	10,317	87%	4.3 minutes	41,708	91%	3.7 minutes
Keystone/Port Townsend	1,171	97%	2.0 minutes	2,092	94%	3.0 minutes	7,970	92%	3.3 minutes
Mukilteo/Clinton	6,460	99%	1.7 minutes	6,477	98%	2.2 minutes	26,176	98%	2.0 minutes
Point Defiance/Tahlequah	3,042	93%	3.2 minutes	3,043	90%	3.6 minutes	12,207	91%	3.5 minutes
Seattle/Bainbridge Island	4,114	94%	3.8 minutes	4,094	87%	5.2 minutes	16,366	88%	4.8 minutes
Seattle/Bremerton	2,481	99%	2.4 minutes	2,392	98%	2.1 minutes	9,863	98%	2.5 minutes
Total	41,394	95%	2.6 minutes	41,755	91%	3.5 minutes	169,535	92%	3.5 minutes

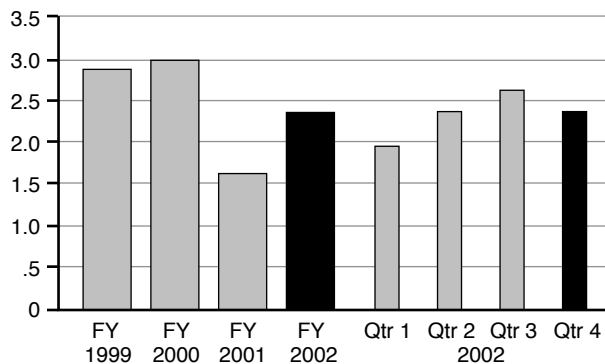
Trip Reliability

WSF scheduled 44,406 trips during the fourth quarter of fiscal year 2002. Of these trips, 262 were cancelled.

The chart below shows a system-wide average reliability index. Assuming that a commuter worked 200 days per year and made 400 trips on WSF, the statistical likelihood is that 2.3 ferry trips would be cancelled. This rating represents an improved reliability rating from the preceding quarter. The full-year results shows that FY 2002 did not attain as good a trip reliability record as FY 2001, although it remained much better than FY 1999 and FY 2000. Vessel-related cancellations were up 82% in the fourth quarter.

Trip Reliability Index

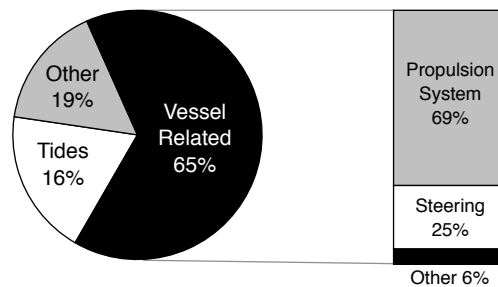
Missed Trips per 400 Sailings



Nearly one third of all vessel related cancellations during the fourth quarter were the result of problems with the Chelan. The Chelan experienced propulsion and steering system related problems on April 24, 2002 while operating on the Fauntleroy/Vashon/Southworth run. As a result, WSF was forced to reduce service to a two-boat schedule and a total of 58 trips were missed that day before the problem was resolved.

Most Common Trip Cancellation Causes

Fourth Quarter, Fiscal Year 2002



The Fauntleroy/Vashon/Southworth route is the busiest in the system. Nearly one-quarter of all trips made by WSF occur on this triangular route structure. A single vessel failure can have a dramatic impact on the trip delivery performance for the entire system.

Source: WSDOT.

Ridership and Revenues

The Legislature's Joint Task Force on Ferries, comprised of legislators, citizens, ferry management, and ferry workers was formed in 2000. The Task Force reviewed the workings of the WSF system and made recommendations including tariff increases designed to raise the farebox recovery rate to 80 percent of operating costs over six years. The Transportation Commission instituted this recommendation and WSF implemented the first tariff increase of 20 percent on June 3, 2001, with another fare increase of 12.5 percent on May 12, 2002.

WSF forecasted that ridership should fall from the previous year because of the fare increase, but that the amount of total fares would go up. In fact, both ridership and revenues have consistently exceeded forecasts during fiscal year 2002.

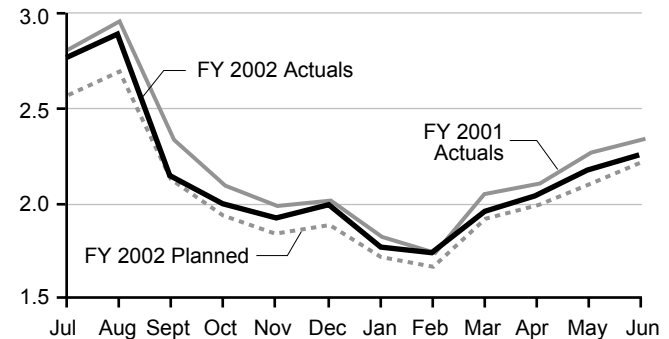
Note to Ridership and Farebox Charts:

Fiscal year 2002 ridership exceeded the forecast plan by 3.8% or 928,000 riders. Revenues exceeded the forecast plan by 6.6% or \$6.7 million. (Plan based on June 2001 forecast).

In anticipation of the May 2002 fare increase, frequent riders stocked up on 90-day coupon books causing a spike in revenues. Farebox revenues in June were much closer to the June 2001 plan.

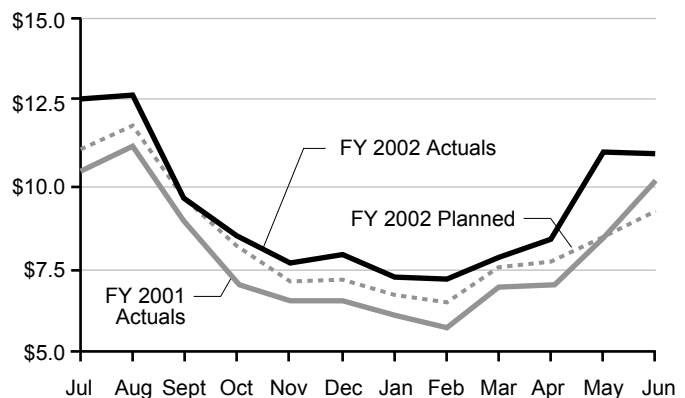
Ferries Ridership by Month

In Millions



Ferries Farebox Revenues by Month

Dollars in Millions



Expenditure Performance

WSDOT makes capital investments in the ferry system through the Washington State Ferries Construction Program. The program preserves existing and builds new ferry terminals and vessels. This infrastructure gives the ferry system the physical capability to deliver responsible and reliable marine transportation services to customers.

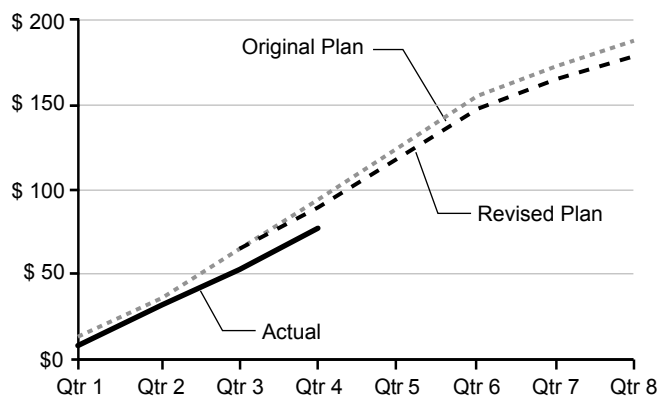
At the end of the third quarter of the 2001-2003 Biennium, the program spent \$76.1 million compared to its plan of \$90.2 million. There are three primary causes for this under-expenditure:

- Adjustments to the 2001-2003 plan resulting from the \$10 million Current Law Budget reduction enacted by the 2002 Legislature.
- Propulsion system replacements on the three Evergreen State class ferries and the *Elwha* are behind schedule.
- WSF has combined the repairs scheduled at Southworth with repairs at Fauntleroy to minimize service disruptions.

WSF Construction Program Expenditures

2001-2003 Biennium, Quarter 4 Ending June 30, 2002

Planned vs. Actual



Program expenditures are grouped into spending on terminal construction (45% to date), vessel construction (38%) and emergency repairs of terminals and vessels (94%).

Sources for all charts: WSDOT.

State-Supported Amtrak Cascades Service: Update

Ridership

Ridership on state-supported Amtrak *Cascades* service was 98,651 for the second quarter of 2002. This represents a four percent increase over the same period in 2001, and marks the highest second quarter ridership total in program history.

WSDOT believes this ridership gain was the result of several factors, including competitive fares, ongoing cooperative promotions, and a growing public awareness of rail travel in the Pacific Northwest. In June 2002, however, a dip in ridership took away from what would have been an even stronger quarter. This dip is clearly seen on the accompanying chart. The explanation for this dip probably includes the customer impact of news stories about Amtrak's difficult financial condition, as well as continuing softness in the regional economy.

On-Time Performance

On-time performance for state-supported Amtrak *Cascades* service averaged 71.7 percent in April, 64.4 percent in May, and 69.5 percent in June 2002. Delays were primarily caused by slow orders issued by the BNSF in areas where rail line maintenance was or had recently taken place, and freight traffic between Eugene and Portland that periodically delayed the departure of northbound train 752.

Internet Reservations and Automated Ticketing

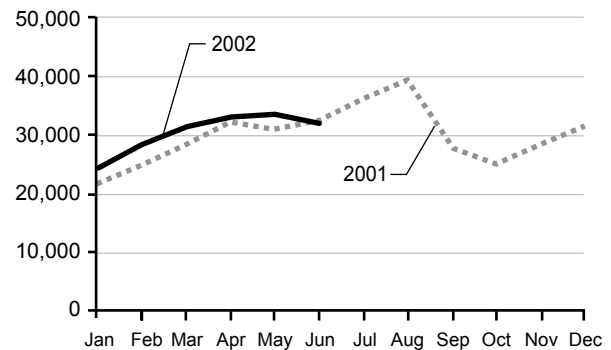
Most people use Amtrak's toll free telephone reservation system to order their train tickets. However, a growing number of people are using the Internet to reserve their seats. The percentage of Amtrak *Cascades* passengers who reserved their seats through the Internet averaged 26.4 percent in the second quarter of 2002. This rate ranked first of all Amtrak train routes in the nation. This is important because it reduces the cost the state pays Amtrak for calls made by *Cascades* riders to Amtrak's national reservation centers.

People in the Pacific Northwest also seem to have a growing level of comfort with automated ticket machines at train stations. These machines are popular where lines at ticket counters are long, and at unstaffed stations along the corridor. The percentage



State-Supported Amtrak Cascades Monthly Ridership

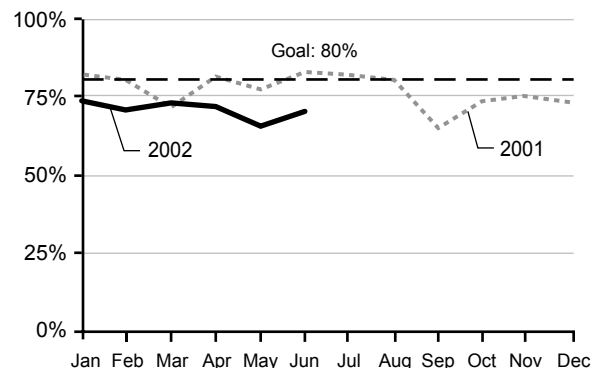
Number of Passengers



Source: Amtrak and WSDOT.

State-Supported Amtrak Cascades On-Time Performance

2002 vs. 2001 Percent On-Time
2001 Average: 76.29%



The on-time performance goal for the Amtrak Cascades is 80%.
A train is considered on-time if it arrives at its final destination within 10 minutes or less of the scheduled arrival time.

Source: Amtrak and WSDOT.

of Amtrak *Cascades* passengers who used automated Quik Trak ticket machines to obtain their tickets averaged 8.2 percent in the second quarter of 2002, which was the highest percentage on the West Coast and 2 percentage points higher than the same period in 2001. Only Amtrak's Northeast Corridor shows higher machine use.

An Update on the Future of Amtrak

In early July, the U.S. Department of Transportation agreed to provide a loan of up to \$100 million to Amtrak. The loan is necessary to maintain train service across the nation and to enable Amtrak to meet its day-to-day financial obligations, including payroll. At *Gray Notebook* press time, Amtrak was seeking additional funds to continue train service through September 2002.

The Bush Administration and Congress will be deliberating the future of Amtrak and its role in the nation's transportation system while they develop the federal government's 2003 budget. Insufficient funding for Amtrak could lead to the cancellation of train service in eastern Washington and disrupt the operation of the Amtrak *Cascades* in western Washington. An update on Congressional actions concerning Amtrak and the resultant implications for the state of Washington will be included in the next *Gray Notebook*.

Amtrak and Station Activity in Washington

Amtrak trains serve 17 Washington communities each day. Amtrak service helps people travel and also supports community development and economic activity in the vicinity of train stations. The table below shows the number of Amtrak passenger trips originating and terminating in Washington cities in 2001.

Station	Service	2001		Total	Percent Change (1994-2001)
		Passenger Trips Beginning	Passenger Trips Ending		
Bellingham	Amtrak <i>Cascades</i>	23,565	22,956	46,521	n/a ¹
Bingen/White Salmon	Empire Builder	537	717	1,254	45.6%
Centralia	Amtrak <i>Cascades</i>	9,207	8,967	18,174	3.2%
Edmonds	Coast Starlight				
	Amtrak <i>Cascades</i>	12,564	11,928	24,492	244.0%
Ephrata	Empire Builder				
	Empire Builder	996	1,298	2,294	25.3%
Everett	Amtrak <i>Cascades</i>	15,309	14,887	30,196	86.1%
	Empire Builder				
Kelso/Longview	Amtrak <i>Cascades</i>	10,385	10,876	21,261	32.4%
Mount Vernon/Burlington	Coast Starlight				
	Amtrak <i>Cascades</i>	7,253	8,621	15,874	n/a ¹
Olympia/Lacey	Amtrak <i>Cascades</i>	19,564	20,282	39,846	61.9%
	Coast Starlight				
Pasco	Empire Builder	6,935	7,478	14,413	7.0%
Seattle	Amtrak <i>Cascades</i>	312,251	313,168	625,419	84.1%
	Empire Builder				
	Coast Starlight				
Spokane	Empire Builder	17,466	18,865	36,331	-0.6%
Tacoma	Amtrak <i>Cascades</i>	52,837	51,518	104,355	33.1%
	Coast Starlight				
Tukwila	Amtrak <i>Cascades</i>	1,052	1,337	2,389	n/a ²
Vancouver	Amtrak <i>Cascades</i>	32,064	31,311	63,375	52.3%
	Empire Builder				
	Coast Starlight				
Wenatchee	Empire Builder	5,840	7,812	13,652	47.9%
Wishram	Empire Builder	388	432	820	27.3%
Totals:		528,213	532,453	1,060,666	75.6%

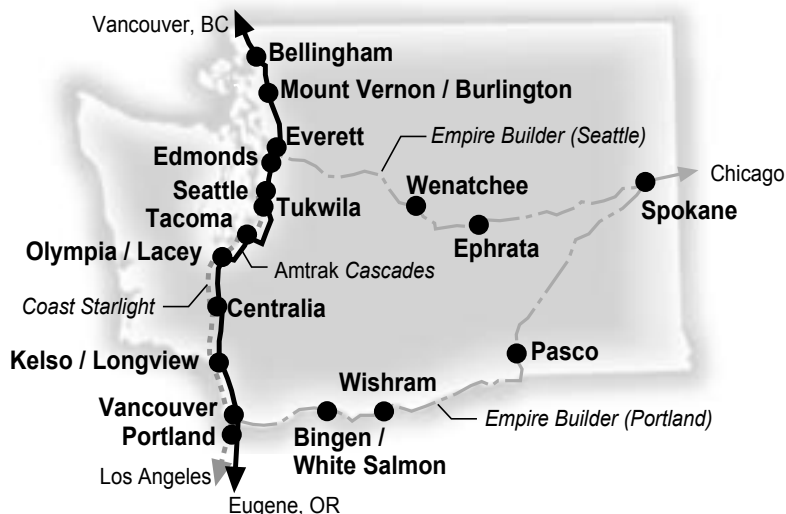
Footnotes: 1 – Service started May 1995; 2 – Service started June 2001

Source: Amtrak and WSDOT.

Amtrak's **Empire Builder** – operating daily between the Pacific Northwest and Chicago – has two segments. One segment serves Seattle, Edmonds, Everett, Wenatchee, and Ephrata. The other segment serves Portland, Vancouver, Bingen/White Salmon, Wishram, and Pasco. Spokane is where the trains are joined and separated each morning, depending on the direction of travel.

Amtrak's **Coast Starlight** operates daily between Seattle, Portland, Oakland and Los Angeles.

The **Amtrak Cascades** operates daily between Vancouver, British Columbia, and Eugene, Oregon.



Background

WSDOT supports the development of Amtrak *Cascades* intercity passenger rail service. WSDOT's strategy is to increase ridership, reduce travel times, and increase the number of trains operating between Seattle and Portland and Seattle and Vancouver, BC. These changes will be realized through the completion of various capital projects along the Pacific Northwest Rail Corridor, the purchase of new train equipment, and aggressive marketing. WSDOT partners with Amtrak, the Burlington Northern Santa Fe Railway, the Union Pacific Railroad, the Oregon Department of Transportation, the federal government, and local jurisdictions to provide Amtrak *Cascades* service. Currently, there are 12 daily trains in operation, eight of which are financially supported by WSDOT.

Since 1994, ridership has grown nearly six-fold on the Amtrak *Cascades*. The program's ultimate goals are 13 daily roundtrips between Seattle and Portland with a travel time of two-and-a-half hours, and 3 to 4 daily roundtrips between Seattle and Vancouver, BC, with a travel time of just under three hours.

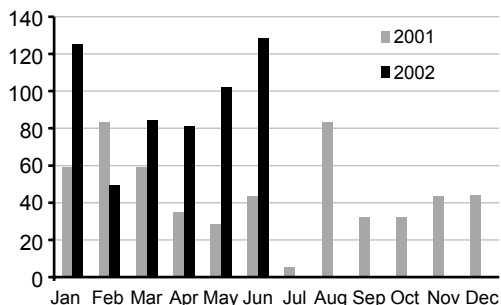
Washington Grain Train Update

In the second quarter of 2002, the state-owned Washington Grain Train carried 213 carloads of Washington grain to Columbia River ports. This represents an increase of 148 percent over the same period in 2001. The total number of Grain Train carloads – including cars owned by the Port of Walla

Walla – was 311 for the second quarter of 2002. This represents an increase of 193 percent over the same period in 2001. The primary reasons for this increase include a higher demand for grain in international markets, improved car handling by the railroads, and more use of the Wallula grain shuttle.

Washington Grain Train Carloads

Carloads Per Month, 2001 vs. 2002



Source: WSDOT.



Value Engineering

Value engineering (VE) is the name for the brainstorming used today, mostly during a project's design phase, when fresh eyes and minds bring creative solutions to projects-in-development. WSDOT makes extensive use of VE on inter-changes, structures, new alignments, traffic controls and other complex and expensive projects. VE teams include WSDOT's own specialists and often include contributors from cities, counties, consultants, regulatory agencies and others.

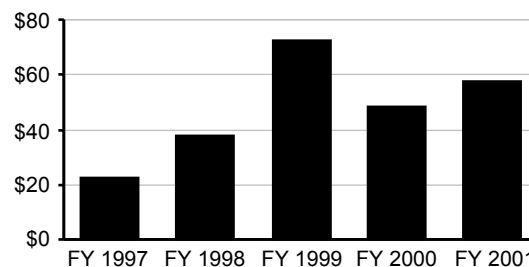
VE is a disciplined process to make the best use of "out-of-the-box" thinking. Like mining gold from a stream bed, a lot of gravel will be tossed from the pan in order to find the rich nugget. The weight of the gold, not the weight of the gravel, is the measure of success. WSDOT tracks its VE efforts – this is an important part of any strong VE program. In 2001, WSDOT convened 12 VE exercises. In total, 528 separate ideas were elicited and evaluated. Seven percent of those ideas endured rigorous technical feasibility and cost review to be incorporated into plans and specifications. Those ideas saved taxpayers about \$57 million.

More Than Just Saving Money

The Federal Highway Administration (FHWA) asked WSDOT to report in 2001 on the benefits to projects from implemented VE recommendations. Here are the categories in which the 37 implemented recommendations contributed to improved projects as reported to FHWA (one recommendation

Value of Recommendations Accepted for Implementation

Dollars in Millions



Source: WSDOT

Value Engineering Implemented Recommendations

Fiscal Year 2001

Partnering and/or Consensus Building	19
Compressed Development or Construction Schedule	13
Improved Constructability	14
Enhanced Operational Performance	17
Minimized Right-of-way and/or Environmental Impacts	15

Source: WSDOT

can score in more than one category).

WSDOT's Ken Smith currently chairs the American Association of State and Transportation Officials' (AASHTO) Value Engineering Task Force.

Value Engineering Case Study: State Route 500 Intersections in Vancouver

WSDOT's VE program has received national recognition from AASHTO and FHWA on many occasions. In 2001, this project won AASHTO's *National Value Engineering Award for Most Effective Proposal in Design*.

Three intersections (St. John's, 42nd, and 54th) on SR 500 in Vancouver are High Accident Locations. A VE team examined early design work for carrying SR 500 over the three local streets. The VE team recommended that the streets be carried over a slightly re-aligned SR 500, that the cross streets be narrowed in some locations, that smaller footprints be adopted, and that a connection for a local trail be made under one of the cross streets. The design changes will lead to significant reductions in right-of-way disputes and costs, improved construction-period traffic management, and elimination of a high tension line relocation, among other benefits. Total cost savings were estimated at over \$40 million. However, for now the projects, like so many others, are "on hold" for lack of funding. For the current biennium, the only available funds are for right-of-way acquisition and design for the interchange at St. John's.



The SR 500 project avoided power line relocations.

Highlights of Program Activities

Quarter Ending June 30, 2002

April 2002

- Bids opened on 29 jobs with engineers' estimates of \$57,195,859 and low bids of \$52,348,822, 8.47 percent below estimates. Thirty-two contracts were awarded.
Examples of projects to be constructed are:
 - Stevens County, U.S. 395, Arden to Colville – Drainage and paving.
 - Thurston County, Interstate 5, Trosper Road interchange – Bridge widening.
 - Chelan County, U.S. 97A, Chelan West – Culvert repair.
 - Clark County, State Route (SR) 503, NE 76th St. to NE 144th St. – Paving/signals.
- WSDOT imposed a 20,000 lb. weight limit restriction for the historic Murray Morgan Bridge, the former 11th Street bridge that connects downtown Tacoma to the nearby Port of Tacoma tide flat area. This weight restriction eliminates heavy truck and overload traffic on the bridge, redirecting it to the new SR 509 bridge over the waterway.
- Chuckanut Drive (SR 11), south of Bellingham, was completely closed for 30 days while a temporary retaining wall was replaced and removed. The work was completed on time and within budget. Field office staff coordinated closely with community leaders to get support for the closure as well as address their concerns, including emphasizing to the public and media that businesses were open and accessible throughout the closure period.
- The Washington State Transportation Commission unanimously approved designation of a 12-mile section of Makah reservation road as the Cape Flattery Tribal Scenic Byway. Washington State and the nation now have the first designated “scenic byway” located on tribal lands – a step that promises tourism benefits for the Olympic Peninsula region, and also signals cooperation between the state and tribes.
- Crews opened one lane of the SR 503 Spur east of the town of Cougar, in Cowlitz County, to traffic in time for the start of fishing season, following a breach in the Swift Power Canal that washed away about 200 feet of the roadway. Repairs to the washed out road began under an emergency contract two days after the damage occurred, and one lane was opened five short days after the road washed away. The road remains in a one-lane configuration until permanent repairs can be designed and constructed.



Heavy equipment shores up the roadside to repair the flooded section of SR 503.

May 2002

- Seventeen projects were advertised; 36 bids were opened and 29 projects were awarded. The total engineer's estimate for the awarded projects was \$34,779,722, and the total contract bids were \$33,641,187, 3.27 percent below the total engineer's estimate.

Examples of projects are:

- Adams, Franklin, Lincoln, Pend Oreille, Spokane and Whitman Counties, U.S. 2, Eastern Region – Chipseal.
 - Pierce County, I-5, 84th St. to Fife Interchange – Ramp repair.
 - Spokane County, U.S. 2, Deer Road to Westwood Road – Paving.
 - Benton County, U.S. 395, I-82 to Kennewick Ave. – Pavement restoration and illumination.
- WSDOT unveiled another tool to help motorists: the Travel Times web page. The page, at www.wsdot.wa.gov/pugetsoundtraffic/traveltimes/, provides average travel times and estimated current travel times for 11 highway and freeway travel routes in Central Puget Sound.
 - WSDOT awarded its first separate plant establishment contract to Methow Natives, to provide weed control and other vegetation establishment services at the Bonaparte Creek wetland mitigation site near Tonasket.
 - Washington State Ferries introduced a new monthly pass for commuters. For the first time, the passes were sold through retail stores and over the Internet. The first month's sales totaled 1,516, with 1,058 sold through the retail network and 458 sold over the Internet.
 - Washington State Ferries was awarded an Federal Transit Administration (FTA) grant totaling \$10.7 million for Jumbo Class Vessel Preservation.
 - Crews closed the southbound SR 529 Steamboat Slough Bridge between Marysville and Everett for repairs to renovate the bridge deck, motors and swing-span drive system which will give the bridge up to an additional 30 years of service. The closure is the second of three closures associated with this ongoing project. Responding to public outcry about congestion during the first closure, WSDOT used several innovative traffic control techniques to keep traffic moving, conducted public outreach to alert the public, and coordinated with Everett and Marysville community leaders and emergency responders.
 - A section of U.S. 12 along the Naches River near Yakima was saved from inevitable washout by floodwaters when WSDOT, through an emergency declaration, diverted a construction contractor from a construction project to the threatened roadway to make emergency repairs.
 - The SR 20 North Cascades Highway opened to traffic at 8 a.m. on May 7. This highway is closed every winter due to extreme weather conditions and avalanche hazards. The latest opening occurred on June 14, 1974, and the earliest opening was on March 24, 1993.
 - Marking an important milestone, crews switched traffic over to a newly paved stretch of SR 18 through Covington and Maple Valley, part of WSDOT's project to widen SR 18 to four lanes between 180th Ave. SE and the Cedar River in Maple Valley.



Ironworkers installing carrier frame under the bracket on the Steamboat Slough Bridge on SR 529.

- Washington State Ferries received formal U.S. Coast Guard approval of its Vessel Life Saving Requirements, Subchapter W, compliance plan.
- WSDOT and the Meeker Southern Railroad reached agreement on a \$400,000 WSDOT freight rail assistance loan. The loan funds critical improvements on the short line that will preserve essential rail freight service to some of the Puyallup area's largest employers.
- FHWA announced the award of the FY 2002 funds from the National Scenic Byways Program. Washington ranked ninth in the amount of funds received from the \$20 million in discretionary funds available to scenic byway programs in 40 states.

June 2002

- For the month of June five projects went to bid, and bids were opened on 13 projects. Fifteen projects were awarded, for a low bid of \$9,081,541, compared to engineering estimates of \$8,599,415.77, which is 5.6% above the engineers' estimates.
 - Yakima County, I-82 and SR 22, Valley Mall Blvd. vicinity, and Sunnyside vicinity – Safety and paving; Mabton vicinity – Bridge removal.
 - Grant and Kittitas Counties, I-90 Columbia River Bridge at Vantage – Bridge painting.
 - Whatcom County, SR 543 Boblett St. intersection – Signalization and illumination.
 - King County, I-5, NE Northgate Way to 175th St. vicinity – Bridge deck resurfacing.
- The new Sullivan Road Interchange on I-90 near Spokane was opened with a new westbound loop on-ramp, a westbound off-ramp, and intersection improvements in the interchange area.
- WSF began its Summer Sailing Schedule with its seasonal increase in service including five-vessel service on the Anacortes/San Juan Islands/Sidney, BC route, additional service hours on the Mukilteo/Clinton route, and in response to customer requests, a new 6:30 a.m. first sailing on the Port Townsend/Keystone route.
- Washington State Ferries was awarded a grant totaling \$1.9 million by the FTA for the Revenue Collection System Replacement Project.
- WSDOT hosted 30 delegates representing the Virginia legislature, the Virginia Department of Transportation, press and community leaders. Their interest was the Amtrak *Cascades* intercity passenger rail service and how they could apply lessons learned by WSDOT to develop similar services throughout Virginia.
- The I-405 Corridor Program received three planning awards:
 - Public Relation Society of America – 2002 Totem Award for outstanding community relations program;
 - Puget Sound Regional Council – Vision 2020 Award for achieving extensive regional cooperation and practicing extensive public outreach to develop options for improving transportation in the I-405 corridor;
 - National Association of Environmental Professionals – President's Environmental Excellence Award for providing significant leadership in early involvement of resource agencies and jurisdictions for issue resolution.

Gray Notebook Subject Index

Edition Key: **1** = Quarter 1 2001, **2** = Quarter 2 2001, **3** = Quarter 3 2001, **4** = Quarter 4 2001, **5** = Quarter 1 2002, **6** = Quarter 2 2002

All editions can be accessed at www.wsdot.wa.gov/accountability

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The Biggest Loads Ever on Washington State Highways

The **longest load** ever moved was a pressurized vessel used at an oil refinery. It measured 320 feet (twenty feet longer than a football field).

The **widest and highest load** was a planing machine used in a lumber mill. It was 35 feet wide (the standard highway lane is twelve feet wide) and 21 feet tall.

The **heaviest load** was a gas turbine generator used in a power plant. It weighed in at 779,800 pounds.

Source: WSDOT.



This load is part of a Boeing 747 fuselage on its way to the assembly plant in Everett. It was 21 feet, 7 inches wide and 90 feet long.